

# WARNER BROS. DOMESTIC TELEVISION DISTRIBUTION

PCI01014

A DIVISION OF WARNER BROS. TELEVISION DISTRIBUTION INC.  
4000 Warner Boulevard - The Triangle Building  
Burbank, CA 91522  
(818)954-6000

## FIELD ORDER - CASH & BARTER

<b>LICENSEE</b> Bay City TV, Inc.	<b>STATION/AFFILIATION</b> XETV (FOX)/XUPN (UPN)	<b>DATE OF ORDER</b> 5/28/2003
<b>STREET</b> 6253 Ronson Road	<b>MARKET/RANK</b> San Diego, CA/26	<b>FCC CITY OF IDENTIFICATION</b> San Diego, CA
<b>CITY/STATE</b> San Diego, CA	<b>ZIP</b> 92111	<b>FAX NO.</b> 858-268-8351
<b>SALES PERSON</b> Mark O'Brien		<b>PHONE NO.</b> 858-279-6666

### THE PEOPLE'S COURT 04/05, 05/06 & 06/07

Licensee agrees to license from Licensor the right to broadcast THE PEOPLE'S COURT ("Program") for the period commencing 9/6/2004 through 9/2/07 (3 years) ("License Term") on the following basis:

<b>FIRST RUN SERIES</b> THE PEOPLE'S COURT 04/05, 05/06 & 06/07	<b>ORIGINALS</b> 34 wks/year	
<b>WEEKLY LICENSE FEE</b>	<b>REPEATS</b>	
\$10,000/wk Yr 1 \$11,000/wk Yr 2 \$11,000/wk Yr 3	18 wks/year	
<b>SPECIAL BARTER</b>	<b>TOTAL</b>	
	520 telecasts/year	

<b>LICENSED TIME PERIODS</b>		
1 <sup>st</sup> Run: M-F	Start Time: 9AM	End Time: 8PM
2 <sup>nd</sup> Run: M-F	Start Time: 9AM	End Time: 1AM
<b>DELIVERY</b>		
Satellite at no charge. If videotape requested, Station will pay: \$30/half-hour - \$55/hour or \$125/two-hour videotape, plus shipping both ways		

**PAYMENT/ADDITIONAL TERMS** The Program may air on XETV or XUPN, provided that each run on either station shall count against the total number of telecasts licensed hereunder. Licensee shall pay the total license fee in twelve (12) consecutive monthly installments per year based on the standard broadcast calendar commencing on 9/6/04.

LICENSEE'S BROADCAST OF EACH EPISODE (AND ALL OF THE CONTENT CONTAINED THEREIN, INCLUDING, WITHOUT LIMITATION, LICENSEE'S BARTER TIME), AND THE PAYMENT OF THE LICENSE FEES, IF ANY, IS OF THE ESSENCE OF THIS FIELD ORDER. IF THE AGREEMENT INCLUDES A CASH LICENSE FEE THEN ANY PAYMENT NOT MADE WITHIN 30 DAYS OF ITS DUE DATE WILL BEAR INTEREST AT THE RATE OF 1 1/2% PER MONTH (OR SUCH LOWER MAXIMUM RATE, IF ANY, SPECIFIED BY CONTROLLING LAW). STATION SHALL BROADCAST THE EPISODES ON ITS PRIMARY DIGITAL CHANNEL, IF ANY, SIMULTANEOUSLY WITH ITS REQUIRED NTSC BROADCASTS. LICENSEE SHALL NOT LICENSE THE EPISODES LICENSED HEREUNDER BY MEANS OF FREE OVER-THE-AIR TELEVISION IN THE ENGLISH LANGUAGE DURING THE LICENSE TERM TO ANOTHER FREE OVER-THE-AIR TELEVISION STATION WHOSE SIGNAL ORIGINATES AND WHOSE GEOGRAPHICAL REFERENCE POINT IS WITHIN A THIRTY-FIVE (35) MILE RADIUS OF THE GEOGRAPHICAL REFERENCE POINT OF STATION'S MARKET/FCC CITY OF IDENTIFICATION AS DESIGNATED IN THIS FIELD ORDER, AS SPECIFIED IN SECTION 76.53 OF THE FEDERAL COMMUNICATIONS COMMISSION RULES. WITHOUT LIMITING THE FOREGOING, THERE MAY BE CONCURRENT BASIC CABLE AND/OR SUPERSTATION EXHIBITIONS OF THE PROGRAM. ANY AND ALL RIGHTS NOT EXPRESSLY GRANTED TO LICENSEE PURSUANT TO THIS FIELD ORDER ARE EXPRESSLY EXCLUDED FROM THE RIGHTS LICENSED TO LICENSEE HEREUNDER, ARE HEREBY RESERVED FOR LICENSOR, AND MAY BE EXPLOITED BY LICENSOR, AT ANY TIME, IN ITS SOLE DISCRETION. LICENSEE'S SIGNATURE OF THIS FIELD ORDER SHALL FORMALIZE LICENSEE'S OFFER TO LICENSE THE EPISODES PURSUANT TO THE TERMS AND CONDITIONS SET FORTH ABOVE. LICENSOR'S ACCEPTANCE, IF ANY, OF LICENSEE'S OFFER SHALL BE SUBJECT TO THIS FIELD ORDER BEING SIGNED BY LICENSOR'S AUTHORIZED REPRESENTATIVE. IF LICENSOR SIGNS AND ACCEPTS THIS FIELD ORDER, THEN THIS FIELD ORDER SHALL CONSTITUTE A BINDING AGREEMENT BETWEEN LICENSEE AND LICENSOR. LICENSOR HAS THE RIGHT TO INSERT BILLEARDERS, FEE SPOTS, PRODUCT PLACEMENT, AND SPONSOR AND CLOSED-CAPTIONING ANNOUNCEMENTS IN EACH OF THE EPISODES, IN ADDITION TO LICENSEE'S BARTER TIME. LICENSEE ACKNOWLEDGES THAT LICENSEE'S AGREEMENT WITH LICENSOR SHALL BE IN ACCORDANCE WITH, AND SUBJECT TO, STANDARD TERMS AND CONDITIONS WHICH SHALL BE SENT TO LICENSEE FOLLOWING SIGNATURE OF THIS FIELD ORDER BY BOTH PARTIES, PROVIDED THAT IN THE EVENT OF ANY INCONSISTENCIES, THE TERMS OF THIS FIELD ORDER SHALL CONTROL. THIS FIELD ORDER SHALL BE CONSTRUED UNDER AND GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA IN EFFECT AS OF THE DATE HEREOF. THIS FIELD ORDER SHALL BE DEEMED TO BE EXECUTED AND PERFORMED WHOLLY WITHIN THE COUNTY OF LOS ANGELES. IN THE EVENT THAT THE PARTIES ARE UNABLE TO RESOLVE ANY DISPUTE INFORMALLY, THEN SUCH DISPUTE SHALL BE SUBMITTED TO FINAL AND BINDING ARBITRATION. THE ARBITRATION SHALL BE CONDUCTED ACCORDING TO JAMS ARBITRATION RULES AND PROCEDURES AT ITS LOS ANGELES OFFICE AND FOLLOW CALIFORNIA LAW AND THE FEDERAL RULES OF EVIDENCE. NOTWITHSTANDING THE FOREGOING, THE LICENSE HEREOF IS CONTINGENT ON LICENSOR'S RELEASE AND CONTINUING DISTRIBUTION OF THE PROGRAM IN FREE TV SYNDICATION (I.E., NATIONWIDE ON A MARKET-BY-MARKET BASIS).

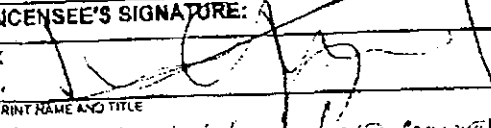
<b>LICENSEE'S SIGNATURE:</b> 	<b>WARNER BROS. DOMESTIC TELEVISION DISTRIBUTION</b>
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>PRINT NAME AND TITLE</b> Richard L. Jones / VP General Manager	<b>PRINT NAME AND TITLE</b> Roxanne Modjallal Vice President, Finance

EXHIBIT "A"

STANDARD TERMS AND CONDITIONS

The Standard Terms and Conditions set forth below are attached to and made a part of that certain field order, license agreement or deal memorandum ("Agreement") between Licensor and Licensee as specified in the Agreement. Any references to the Agreement contained hereinbelow shall be deemed to include these Standard Terms.

As used herein, "Program" shall refer to a theatrical motion picture, a made-for-television movie and/or the pilot and/or an episode or episodes of a television series and/or television special(s), as applicable. Licensee acknowledges that each Program was individually listed and separately priced, and that Licensor offered each Program on a Program by Program basis without discrimination and without conditioning the licensing of any one Program upon the licensing of any other Program. Licensee acknowledges that it desires to acquire a license for each Program and that the license for all Programs are included in this Agreement for convenience only. In the event that the negotiations were conducted on an aggregate fee basis, Licensee acknowledges that such fee arrangement was done at its request, although it had an opportunity to negotiate on a Program by Program basis. Licensee further acknowledges that it is fully aware of Licensor's policy to afford Licensee and all other television stations, if any, in Licensee's market area, the opportunity to license any one or more of the Programs that Licensor has available for licensing in said market area, and that Licensor has actually afforded Licensee such opportunity; that Licensee is freely entering into this Agreement upon the terms herein contained; that there are no conditions or representations of any kind other than those expressly stated herein; that in licensing any one Program hereunder Licensor in no way has compelled Licensee to license any other Program; and, that no representative of Licensor has any authority to alter Licensor's policy referred to in this paragraph. Licensor and Licensee acknowledge that the possession of the right to broadcast constitutes a use of the product by Licensee. Licensor and Licensee acknowledge that the timely performance of all obligations under this Agreement is essential. Licensor's business, not only with Licensee but also with others similarly situated, requires that it be able to rely on the faithful and timely performance of all obligations of Licensee under this Agreement.

**1. BROADCASTING RIGHTS.**

A. The Program may only be broadcast in the English language: (i) on Free TV (as defined below) up to the number of times specified in the Agreement to non-paying audiences; (ii) if the station as set forth in the Agreement ("Station") is a UHF, VHF or digital broadcast, low power, or translator television station, then only from the existing originating television transmitter of such Station; and (iii) if Station is a local cable television system, then only to the individual subscribers of the system located within the Market described in the Agreement.

B. "Free TV" means conventional, free, over-the-air VHF,UHF or digital broadcast, or cable television transmission by television broadcast stations, station groups or networks, the video and audio portions of which are intended to be intelligibly received without charge by means of a home roof-top or self-contained antenna for viewing on a television receiver set or its equivalent in the viewer's home. Neither governmental television receiver assessments or taxes, nor periodic service charges made by cable systems (other than a charge for pay television viewing) shall be considered a viewer charge.

C. Station may not authorize any broadcast to be amplified, retransmitted or relayed by any translator or booster station, satellite, community antenna system, cable television system, or any other method not expressly authorized in this Agreement. Notwithstanding the foregoing, Licensor agrees that Station may, pursuant to the provisions of the Cable Television Consumer Protection and Competition Act of 1992 and the Satellite Home Viewer Improvement Act of 1999 (collectively, the "Acts"), request or authorize any cable television system or satellite carrier, as defined in the Acts, to retransmit over its facilities, the television signal transmitted by Station, including the Program licensed hereunder.

D. Station shall broadcast the Program on its primary digital channel, if any, simultaneously with its required NTSC broadcasts. The content of the simultaneous digital broadcast of the Program, including, without limitation, all commercial advertisements, shall be identical to the NTSC broadcasts. For purposes of this provision, Station's "Primary Digital Channel" shall be the following: (i) If Station is affiliated with a broadcast network (including,

without limitation, ABC, CBS, NBC, Fox, The WB, UPN, PAX or any other network that offers an interconnected program service on a regular basis for fifteen (15) or more hours per week to at least twenty-five (25) stations in ten (10) or more states), the same digital channel on which Station's primary network programming is broadcast; or (ii) if Station is not affiliated with a broadcast network, the same digital channel on which Station simulcasts more than fifty percent (50%) of the total hours of programming available on its NTSC channel, or (but only if Station does not simulcast at least fifty percent (50%) of its total hours of NTSC programming on one digital channel) the digital channel which delivers the highest average rating as determined by the A.C. Nielsen company for the 6:00 AM - 2:00 AM period within Station's DMA.

E. Except as set forth in the Agreement, Licensor reserves all rights not licensed in each Program hereunder, including, without limitation, the right to license the Program by means of basic cable, pay cable, pay-per-view, video-on-demand, near video-on-demand, subscription video-on-demand, superstation, electronic delivery via the Internet, home video, Free TV in all languages other than English, or by any other means now known or hereafter devised. Licensor may exploit such reserved rights as Licensor sees fit without restriction.

**2. LICENSE TERM AND BROADCAST WINDOW(S).**

A. The License Term for each Program begins on the earlier of the date of first broadcast of the Program, or the start date stated in the Agreement. The License Term for each Program shall end on the earlier of the expiration of the License Term as specified in the Agreement or the date of its last licensed broadcast. Licensor may change the start of the License Term for any Program upon timely notice to Licensee.

B. Licensee shall not change the Broadcast Window(s) as set forth in the Agreement without Licensor's prior written consent. All time references in the Agreement are local time for Station. Unless otherwise provided for in the Agreement, Licensee shall not broadcast the Program during the prime time hours of M-Sat 8:00 PM - 11:00 PM and Sun 7:00 PM - 11:00 PM (EST/PST) or M-Sat 7:00 PM - 10:00 PM and Sun. 6:00 PM - 10:00 PM (CST/MST) during a broadcast network's license term, if any.

**3. CONSIDERATION.**

A. CASH: Where the Agreement includes monetary payments, Licensee shall pay the amounts specified for each Program whether or not all authorized broadcasts occur. Monthly payments are due on the first of each consecutive month beginning as stated in the Agreement, continuing uninterrupted until the total license fee is paid or the last authorized broadcast, whichever is earlier.

**B. BARTER AND OTHER CONSIDERATION:**

i. Where the Agreement includes commercial time, Licensee shall provide the commercial time specified for each Program whether or not the authorized broadcasts occur. If Licensee fails to provide any required commercial time, Licensee shall at Licensor's election either promptly provide Licensor with comparable substitute commercial time in accordance with Licensor's instructions or pay Licensor the national media value for such time as determined by Licensor. Licensor and Licensee shall each be entitled to retain all revenues derived from their respective commercial advertisement time. In addition to its commercial advertisement time, Licensor shall have the right to insert billboards, fee spots and sponsor and closed-captioning announcements in each Program, in its sole discretion. Additionally, Licensor shall have the right to insert product placement into the Program. Licensee shall broadcast the Program in the order designated by Licensor for broadcast during each week, it being understood that Licensor shall determine, in its sole discretion, the episodic sequence of such Program broadcast and the number of times each such Program shall be rebroadcast. Licensee shall broadcast each Program without deletion or change in the Program or in the commercials or other content furnished by Licensor, except that Licensee may add its commercial material in the commercial positions provided by Licensor. Licensee's commitment to broadcast the Program is a firm broadcast commitment and there shall be no "warehousing" (i.e., Licensee must broadcast the Program, including Licensor's commercial time and other announcements).

ii. Licensee shall only be permitted to preempt the broadcast of a Program due to an event of urgent importance or to broadcast a unique one-time special event. In the event of such an authorized preemption, the Program shall be rescheduled and broadcast during the current or the immediately following Monday through Sunday broadcast week within the applicable Broadcast Window or in another broadcast window pre-approved by Licensor, in its sole discretion and

Licensee shall, at its own expense, insert Licensor's Barter Time and fee spots designated by Licensor for the then current broadcast day into the positions within the Program as designated by Licensor. Licensee shall comply with Licensor's requirements with respect to Barter Time and other announcements that must air on or by a certain date. Licensee shall immediately notify Licensor of a preemption and of the reason therefor. Failure to comply with the above provisions shall constitute a default by Licensee and shall entitle Licensor to all of its rights and remedies hereunder.

C. **GENERAL:** Each payment must be made to Licensor free of any off-sets, claims, taxes or other charges. Any payment not made within thirty (30) days of its due date shall bear interest at the rate of one and one-half percent (1 ½%) per month (or such lower maximum rate, if any, specified by controlling law). Acceptance of any payment after its due date shall not constitute a waiver by Licensor of any of its rights except as to such payment. Timely payment and/or provision of all commercial time is/are of the essence of this Agreement, and is an express condition precedent to Licensee's right to exercise any broadcasting rights in any Program.

#### 4. USAGE REPORTS AND AFFIDAVITS.

A. Where the Agreement includes License Fee(s) as the only form of remuneration payable from Licensee to Licensor, Licensee shall give Licensor notice in writing of the date on which Licensee intends to broadcast the Program by no later than thirty (30) days prior to the date of such scheduled broadcast.

B. Licensee shall, within thirty (30) days following each broadcast hereunder, furnish Licensor with an affidavit of performance which shall certify the date, time and place of each broadcast and any of Licensor's commercial and other announcements included in such broadcast. Affidavits shall be sent to: Director of Clearance Validation, 4000 Warner Boulevard, Building 118, Room 4004, Burbank, CA 91522. In the event of a preemption, Licensee shall immediately notify Licensor of the reason therefor and shall furnish to Licensor an affidavit certified as correct by an officer of Licensee that such preempted Program (listed by name) and Licensor's commercial inventory and all other announcements (listed by commercial ID number) contained therein were actually broadcast during the make good period as set forth in Paragraph 3B(ii) above and the respective date(s) and time(s) of any such broadcast(s). Licensee acknowledges that the receipt of said affidavits is essential in order for Licensor to collect from its advertisers the compensation due to Licensor by virtue of the sale of Licensor's commercial time in the Program. Therefore, any failure by Licensee to furnish said affidavits in a timely manner as set forth herein shall be deemed a material breach of the Agreement and shall entitle Licensor to exercise all of its rights and remedies set forth in the Agreement, including, without limitation, all of Licensor rights and remedies at law and in equity.

#### 5. DELIVERY AND RETURN OF MATERIALS.

A. Licensor shall deliver materials for the Program ("Materials") as specified in the Agreement. If no Materials are specified, Licensor shall notify Licensee of the Materials to be delivered as well as the method of delivery promptly after Licensor receives notice from Licensee of a scheduled broadcast date. Where the Agreement includes License Fee(s) as the only form of remuneration payable from Licensee to Licensor, Licensor requires at least thirty (30) days notice of the scheduled broadcast date of any Program. If less than thirty (30) days notice is given, Licensor shall not be responsible for late delivery.

B. For any Program delivered on tape, Licensor shall make available said Program on a 1", 3/4" or Beta SP videotape format, or as otherwise specified in the Agreement. Licensor's delivery shall be complete when Licensor has either physically delivered the Program to Licensee or its agent, or has given the Program to Licensor's carrier E.o.b. its place of shipment. If Licensor delivers any Program and/or commercial reel via tape, Licensee shall pay the cost as determined by Licensor for each such tape, payable upon receipt of Licensor's invoice therefore. Licensee shall pay all costs of delivery, including shipping, handling and insurance.

C. For any booking Program ("Booking Program") obtained by Licensee for the purpose of dubbing onto Licensee's tape stock, (i.e., book and dub) Licensee shall pay the cost of shipping said Booking Program to it and, within three (3) days and at its own expense, return or transship said Booking Program to any address specified by Licensor. Additionally, any Booking Program must be returned in the same condition as it was received (allowing for normal wear and tear) or Licensee shall be held responsible for the cost to duplicate an identical Booking Program.

D. Licensee shall be responsible for the maintenance, storage, shipping, handling and insurance costs of any library Program ("Library Program") licensed by Licensee. Upon completion of contracted broadcasts or at the end of the License Term, whichever comes first, Licensee shall, at its option and expense, either return said Library Program to Licensor at an address specified by Licensor or destroy said Library Program and immediately issue a certificate of destruction for each Library Program.

E. Licensee may not allow copying except to permit an authorized broadcast or part with the possession of any Program except for return shipment per the Agreement.

F. If delivery is by satellite, Licensor shall be responsible for all "uplinking" transmission costs, and Licensee shall be responsible for arranging to receive the satellite transmission and for all "downlinking" reception costs. Licensee's failure to make suitable "downlinking" arrangements, or failure to receive any Program due to technical "downlink" or reception failure shall not affect Licensee's obligations hereunder. Where the Program includes commercial time or other announcement time, Licensee shall destroy any tape of such Program immediately after the broadcast for which the satellite feed was intended, at its expense. For all other Programs, Licensee shall destroy any tape of such Program on the earlier of Licensor's last authorized broadcast or the end of the License Term, at its expense.

#### 6. EXAMINATION OF MATERIALS.

A. Licensee shall examine all Materials immediately after their receipt. If any Materials are unsuitable Licensee shall immediately notify Licensor who, at Licensor's option, shall furnish suitable replacements of the Program in question or grant a proportionate credit with respect to the portion of the License Fee allocable to the Program, it being acknowledged that Licensor shall have no other obligation or liability to Licensee whatsoever. A Program shall be deemed suitable unless notice of defect is given within three (3) business days following receipt. Licensor shall not be deemed to be in breach of the Agreement as a result of any defect or unsuitability of any Materials.

B. All materials which Licensee produces for the broadcast of any Program shall become the property of Licensor. Following the broadcast for which they were produced, Licensee shall, at its option and expense, either return said materials to Licensor at an address specified by Licensor or destroy such materials and immediately issue a certificate of destruction.

#### 7. RESTRICTIONS ON ALTERATIONS.

A. Licensee, at its own expense, may only insert commercials in the Program in the spaces designated by Licensor, and not in a manner which adversely affects a Program's artistic or pictorial quality. All commercials inserted by Licensee must be removed without damage before the Program is returned. A "cut in" fee may not be charged.

B. Except for inserting commercials, Licensee may not alter or serialize any Program. Licensee may not delete or alter the copyright notice, trademark notice or credits in any Program.

C. Licensee shall not alter any Material provided to Licensee by Licensor without Licensor's prior permission, including, but not limited to, print ads, radio, television or cable spots.

#### 8. ADVERTISING AND BILLING. USE OF NAMES AND LIKENESSES.

Licensor shall furnish Licensee such promotional and advertising Materials for use by Station as Licensor may have available and appropriate for use hereunder. Licensee shall use its best efforts to promote Licensee's broadcast of the Program. Licensee warrants and agrees that (i) it shall comply with Licensor's advertising and billing requirements and Licensor's limitations on the use of the names and likenesses of the actors and characters for each Program, as notified; (ii) none of its advertising or billing shall infringe on the rights of others or constitute an express or implied endorsement of any product, service or sponsor, other than the Program itself; (iii) it shall not advertise any title changed by Licensor or Program withdrawn by Licensor; (iv) Licensee, its sponsors and advertisers shall abide by and comply with the screen billing in the same form as it appears in the Program, that is, all advertising shall give cast and other credits in the same manner, position and relative size and prominence of type as those credits appear in the main title of the respective Program; (v) it shall not create, develop, extract or excerpt from the Program to advertise and promote the Program; (vi) it shall comply with all Collective Bargaining Agreements concerning advertising and promotion requirements with respect to any Program; (vii) no authorized

excerpt from any Program may exceed two (2) minutes in length; (viii) it shall not promote the Program via the Internet without Licensor's approval; and (ix) it shall indemnify Licensor against all costs, damages, and expenses, including but not limited to reasonable attorneys' fees incurred by or caused to Licensor by reason of any actual or alleged breach by Licensee of the provisions of this paragraph.

9. **MUSIC.** Licensor represents that, to the best of its knowledge, the non-dramatic television performing rights in the music embodied in each Program: (a) are controlled by BMI, ASCAP, SESAC, or other performing rights society having authority over Licensee's broadcast of the Program; (b) are in the public domain; or (c) are controlled by Licensor to the extent necessary to permit Licensee's broadcast of each Program. Upon request Licensor shall furnish Licensee with available music cue sheets for any Program. With regard to music in category (a), Licensee shall at its own expense obtain any licenses required to broadcast or perform any such music.

#### 10. TAXES, ROYALTIES AND FEES.

A. Licensee shall pay all taxes (including without limitation sales, use, VAT and remittance), duties, and any other charges, including interest and penalties, now or later imposed on or resulting from the license, rental, delivery, broadcast, possession or use by Station of any Program. To the extent that any such taxes, duties and any other charges (or penalties or interest thereon) are paid by Licensor, Licensee shall reimburse Licensor therefor on demand.

B. **ROYALTIES AND FEES:** Any royalties or fees which may be paid to or received by Licensee by virtue of any statute, governmental regulation, by operation of law or in any other manner on account of private recording or amplification, retransmission, or relaying of the Program on any station, translator, repeater, satellite, cable television system, relay broadcasts, network simultaneous transmission or otherwise shall belong to Licensor, and if received by Licensee, shall be held by Licensee as agent and/or trustee for Licensor and shall be promptly paid over to Licensor. In addition, Licensee hereby assigns to Licensor for the Program licensed hereunder all of Licensee's right and interest to any royalty payments to which Licensee may be entitled pursuant to Section 111(d) of the Copyright Revision Act of 1976 ("Copyright Act"), or similar legislation that may hereafter be enacted, and Licensor may, for Licensor's own interests and the interests of Licensee, make whatever application is necessary to petition for such royalty payments. Licensee agrees to do all such acts and execute all such documents as Licensor may hereafter require in order to comply with the requirements of the Copyright Act, and Licensee hereby appoints Licensor as Licensee's attorney-in-fact and duly authorized agent to do all such acts and execute all such documents on its behalf if Licensee shall fail to do so within one month of any request. Licensee acknowledges that the foregoing power-of-attorney is deemed coupled with an interest.

#### 11. SUSPENSION AND WITHDRAWAL.

A. Licensor may, in its sole discretion, either suspend delivery or broadcast of any Program temporarily or withdraw any Program permanently if Licensor determines that the broadcasting thereof would or might: (i) infringe the rights of others; (ii) violate any law, court order, government regulation or other ruling of any governmental agency; or (iii) subject Licensor to any liability or litigation. Furthermore, Licensor may withdraw any Program (i) if Licensor determines that the rights to the literary, dramatic or musical material upon which said Program is based have expired or may expire during its License Term; (ii) if Licensor determines that Licensor's materials are unsuitable for making broadcast quality prints, tapes, cassettes or discs; or (iii) due to Force Majeure (as defined below).

B. Licensee shall not be entitled to claim damages for any suspension. If any suspension lasts for more than six (6) consecutive months, either party may terminate this Agreement with respect to the suspended Program on ten (10) days notice. If not so terminated then the License Term for the suspended Program may, in Licensor's sole discretion, be extended for the length of each suspension, but not beyond the expiration of Licensor's right to license the suspended Program to Licensee.

C. If any Program is withdrawn or this Agreement is terminated with respect to any Program after a suspension period, then Licensee shall be entitled, at Licensor's election, to: (i) a substitute Program of comparable quality to the withdrawn Program; or (ii) receive an equitable proportion as allocated by Licensor of any amounts paid. Licensee's sole remedy shall be one of the remedies set forth in this subparagraph, except as provided in Paragraph 12.

D. "Force Majeure" means any fire, flood, earthquake, or public disaster; strike or labor dispute; unavailability of any major talent committed to the Program; unavoidable accident; breakdown of electrical or sound equipment; failure to timely perform by any laboratory or supplier; delay or lack of transportation; embargo, riot, war (whether or not declared), insurrection or civil unrest; any Act of God; any act of any legally constituted authority; or any other cause beyond the reasonable control of Licensor.

12. **TERMINATION OF PRODUCTION.** If production or delivery of the Program is terminated for any reason during the License Term, Licensor upon ten (10) days notice to Licensee may cancel this Agreement without further liability to Licensor. License fees shall be prorated to the effective date of termination. Licensee's barter obligation, if any, shall continue until the effective date of termination.

13. **EARLY TERMINATION.** Where the Agreement includes License Fee(s) as the only form of remuneration payable from Licensee to Licensor, at such time as the number of remaining unplayed telecasts equals twenty percent (20%) or less of the total number of telecasts licensed hereunder or at such time as eighteen (18) months or less remain of the License Term, Licensor may terminate the Agreement on thirty (30) days notice. In such event Licensor shall pay to Licensee (or credit Licensee's account with Licensor if such account is in arrears) an amount equal to the proportionate percentage of the unplayed telecasts to the total License Fee as allocated by Licensor.

#### 14. DEFAULT.

A. Licensee shall be deemed in default if: (i) Licensee fails to pay its debts when due; (ii) Licensee seeks relief under any bankruptcy law or similar provision for the protection of debtors; (iii) Licensee fails to make any payment in accordance with the terms of this Agreement and such failure continues for a period of ten (10) days; (iv) Licensee is in breach of or breaches any provision of this Agreement or any other agreement between Licensee and Licensor or any affiliate of Licensor; (v) Licensee attempts to make any assignment, transfer or sublicense of this Agreement without Licensor's consent as provided in Paragraph 20A; (vi) Licensee and/or Station ceases or suspends operations; or (vii) Licensee loses control of, whether voluntarily or otherwise, the Station, its interest therein, or its license to operate the Station.

B. In the event of a default by Licensee, Licensor may terminate this Agreement or any other agreement between Licensee and Licensor or any affiliate of Licensor and/or proceed against Licensee for legal and equitable relief and/or may suspend delivery of the Program and declare the License Fee (and any additional sums payable under the Agreement) immediately due and payable to Licensor regardless of the due date thereof. Upon Licensee's receipt of notice of default, Licensee shall return all Materials in Licensee's possession or under Licensee's control to Licensor immediately.

C. Default by Licensor is limited to the particular Program to which the default applies. No default by Licensor as to one Program shall be a default as to any other Program. Licensee shall promptly give Licensor written notice of any claimed default and Licensor shall have twenty (20) days after its receipt of such notice to commence and diligently pursue cure of such default. Only if Licensor fails to do so, may Licensee proceed against Licensor for available relief; provided that Licensee's sole remedy for breach of any provision of this Agreement shall be an action at law for damages, it being agreed that in no event shall Licensee be entitled to injunctive or other equitable relief.

15. **INSOLVENCY.** The parties hereby agree and intend that this Agreement is an executory contract governed by Section 365 of the U.S. Bankruptcy Code ("Bankruptcy Code"). In the event of Licensee's bankruptcy, the parties intend that any royalties payable under this Agreement during the bankruptcy period be deemed administrative claims under the Bankruptcy Code because the parties recognize and agree that the bankruptcy estate's enjoyment of this Agreement will (i) provide a material benefit to the bankruptcy estate during its reorganization and (ii) deny Licensor the benefit of the exploitation of the rights through alternate means during the bankruptcy reorganization. The parties acknowledge and agree that any delay in the decision of the trustee of the bankruptcy estate to assume or reject the Agreement (the "Decision Period") materially harms Licensor by interfering with Licensor's ability to alternatively exploit the rights granted under this Agreement during a Decision Period of uncertain duration. The parties recognize that arranging appropriate alternative exploitation would be a time consuming and expensive process and that it is unreasonable for Licensor to endure a Decision Period of extended uncertainty. Therefore, the parties agree that the Decision Period shall not exceed sixty (60)

days. Licensor, in its interest to safeguard its valuable interests (including, without limitation, its intellectual property rights in the licensed property), has relied on the particular skill and knowledge base of Licensee. Therefore, the parties acknowledge and agree that in a bankruptcy context this Agreement is a license of the type described by Section 365(c)(1) of the Bankruptcy Code and may not be assigned without the prior written consent of the Licensor.

**16. LICENSOR'S WARRANTIES.** Licensor represents and warrants that:

A. Except with respect to any material added by Licensee and except with respect to music which is specifically provided for herein, it has authority to license rights specified in this Agreement.

B. No exercise of rights granted to Licensee in any Program shall: (i) infringe any third party's copyright, trademark or other property right; or (ii) defame or violate any right of privacy or infringe any personal right of any third party.

C. Licensor shall advise Licensee of information, of which it has actual knowledge, concerning any matter included in the Program for which any money, service or other valuable consideration was paid, or accepted. This shall not include services or property furnished without charge, or at a nominal charge, for use on a Program unless it is furnished in consideration for an identification in the Program of any person, product, services, trademark, or brand name beyond an identification which is reasonably related to the use of the service or property in such Program.

**17. INDEMNITIES.**

A. Licensor shall indemnify and hold harmless Licensee (including its officers, directors, employees and agents) against any damages awarded in any final judgment entered against Licensee (other than for loss of profits or consequential damages sustained by Licensee) or settlement approved by Licensor, due to Licensor's breach of any of its representations or warranties, provided, however, prompt detailed written notice of claim of such breach or warranty is given by Licensee to Licensor. Licensor shall have full control over the defense and/or settlement of any claim or litigation including the right to engage its own counsel. Licensee shall cooperate fully with Licensor in the defense or settlement of any such claim or litigation.

B. Licensee shall indemnify and hold harmless Licensor (including its officers, directors, employees and agents) against all claims and expenses (including reasonable attorneys' fees) and liabilities arising from or as the result of (i) Licensee's failure to abide by any restriction on the exercise of any rights granted; (ii) any breach of any of Licensee's obligations, representations or warranties set out in this Agreement; or (iii) the broadcasting of any material in connection with or relating to the Program other than material contained in the Program as delivered by Licensor.

**18. INABILITY TO BROADCAST.** If, without Licensee's fault, Licensee is unable to broadcast the Program for thirty (30) or more continuous days by reason of any Act of God, governmental action, war (whether or not declared), flood, fire or public emergency, then Licensor may, in its sole discretion, extend the License Term with respect to any affected Program for the duration of any such period but not beyond the expiration of Licensor's right to license the Program to Licensee. This extension shall not increase Licensee's time to make payments. Licensor may suspend the delivery of Materials during any extension. If Licensee's inability to broadcast continues for more than six (6) months, then Licensor may terminate this Agreement and give Licensee an equitable adjustment of the total License Fee applicable to the Program not broadcast as allocated by Licensor.

**19. EXCLUSIVITY.** Licensor agrees that during the License Term it shall not license any Program in the English language:

(i) For broadcast by any other television station located in a community located less than thirty-five (35) miles away from the Station's respective reference point, as determined pursuant to the rules and regulations of the F.C.C. as of the date of this Agreement (see 47 CFR Section 76.53), provided that such exclusivity shall not preclude network broadcasts of the Program during the License Term; or

(ii) For local origination cablecasting by any cable television system operating within the "specified zone" of the Station's designated community in its Market as defined in the rules and regulations of the F.C.C. as of the date of the Agreement (see 47 CFR Section 76.5(e)).

**20. ASSIGNMENT.**

A. This Agreement is personal to Licensee. Licensee may not assign or transfer this Agreement, or sublicense or use an agent to exploit any of the rights granted to Licensee, whether voluntarily or involuntarily, without Licensor's prior written consent. An assignment or transfer of a controlling interest in Licensee's capital stock or other evidence of ownership shall require Licensor's consent. If Licensor does consent then this Agreement shall be binding on such authorized assignee, transferee, sublicensee or agent but shall not release Licensee of any of its obligations under this Agreement. Nothing in this paragraph shall release Licensee or its successors in interest from fulfilling Licensee's obligations hereunder.

B. Licensor may assign, transfer or sublicense any of its rights under this Agreement, but no such assignment, transfer or sublicense relieves Licensor of its obligations.

**21. DISPUTE RESOLUTION.**

A. Any and all controversies, claims or disputes arising out of or related to this Agreement or the interpretation, performance or breach thereof, including, but not limited to, alleged violations of state or federal statutory or common law rights or duties, and the determination of the scope or applicability of this agreement to arbitrate ("Dispute"), except as set forth in subparagraphs C and D, below, shall be resolved according to the procedures set forth in subparagraph B, below, which shall constitute the sole dispute resolution mechanism hereunder:

B. **ARBITRATION:** In the event that the parties are unable to resolve any Dispute informally, then such Dispute shall be submitted to final and binding arbitration. The arbitration shall be initiated and conducted according to either the JAMS Streamlined (for claims under \$250,000) or the JAMS Comprehensive (for claims over \$250,000) Arbitration Rules and Procedures, except as modified herein, including the Optional Appeal Procedure, at the Los Angeles office of JAMS, or its successor ("JAMS") in effect at the time the request for arbitration is made (the "Arbitration Rules"). The arbitration shall be conducted in Los Angeles County before a single neutral arbitrator appointed in accordance with the Arbitration Rules. The arbitrator shall follow California law and the Federal Rules of Evidence in adjudicating the Dispute. The parties waive the right to seek punitive damages and the arbitrator shall have no authority to award such damages. The arbitrator shall provide a detailed written statement of decision, which shall be part of the arbitration award and admissible in any judicial proceeding to confirm, correct or vacate the award. Unless the parties agree otherwise, the neutral arbitrator and the members of any appeal panel shall be former or retired judges or justices of any California state or federal court with experience in matters involving the entertainment industry. If either party refuses to perform any or all of its obligations under the final arbitration award (following appeal, if applicable) within thirty (30) days of such award being rendered, then the other party may enforce the final award in any court of competent jurisdiction in Los Angeles County. The party seeking enforcement shall be entitled to an award of all costs, fees and expenses, including attorneys' fees, incurred in enforcing the award, to be paid by the party against whom enforcement is ordered.

C. **INJUNCTIVE RELIEF:** Notwithstanding the foregoing, either party shall be entitled to seek injunctive relief (unless otherwise precluded by any other provision of this Agreement) in the state and federal courts of Los Angeles County.

D. **OTHER MATTERS:** Any Dispute or portion thereof, or any claim for a particular form of relief (not otherwise precluded by any other provision of this Agreement), that may not be arbitrated pursuant to applicable state or federal law may be heard only in a court of competent jurisdiction in Los Angeles County.

**22. AUDIT.**

A. Licensee shall keep full and accurate books and accounts with respect to the Program and Licensor shall have the right to audit and inspect said records at reasonable business hours, or to designate a representative to audit and inspect said records on Licensor's behalf. Licensee agrees that books and accounts are deemed to include all media where information is stored, including electronic media such as computer diskettes, magnetic tape, optical storage methods or any and all other formats necessary to analyze all data Licensor or Licensor's representative find necessary to analyze, review or inspect. Licensor shall have the absolute right to make copies of all data or information, regardless of what medium that data or information may be stored upon. In the event that such examination by Licensor reveals any under-reporting or misrepresentation by Licensee of any item bearing

upon the computation of the amounts payable to Licensor hereunder, Licensee agrees that in addition to recomputing and making immediate payment of the amounts due based on actual and true items together with interest thereon at the rate of two percent (2%) plus the prime rate of interest charged by and computed on borrowings from Bank of America or the maximum rate permitted by law, whichever is least, (i) Licensee shall, in addition, pay all costs and expenses incurred by Licensor in connection with such audit including any and all attorneys' fees incurred by Licensor in connection with the enforcement and collection of such under-reported or misrepresented amounts, and (ii) notwithstanding anything to the contrary contained herein, Licensor shall have the further right to audit Licensee's books and records retroactively to the commencement of the Agreement.

In the event Licensor decides to exercise this right and conduct an audit and/or an inspection of Licensee's business records, Licensor shall give Licensee at least ten (10) days advance written notice, with said audits limited to one time per calendar year. Licensee agrees that, at Licensor's own discretion, said audit and/or inspection shall be conducted by a nationally recognized firm of certified public accountants and/or by Licensor's own corporate audit department.

B. Licensee shall retain the books, accounts and records with respect to each Program or statement received by Licensor in connection therewith for three (3) years after such Program has been accounted for or such statement has been rendered unless a suit is commenced. However, nothing shall limit Licensor's rights at law in the event that Licensee shall have concealed information from or provided false information to Licensor or its auditors.

### 23. MISCELLANEOUS PROVISIONS.

A. In conflicts between any term of this Agreement and any material law, ordinance, rule or regulation, the latter shall prevail.

B. By entering into this Agreement with Licensee, Licensor does not waive any other breach or default by Licensee in connection with any other agreement. No waiver of any breach in this or any other agreement shall be a waiver of any other breach of the same or any other provision. No waiver is effective unless in writing.

C. All remedies are cumulative, and resort to one shall not preclude resort to any other at any time.

D. All notices shall be in writing and sent to the parties at addresses set forth in the Agreement or otherwise specified by the parties with notice to Licensor addressed to the attention of: Vice President, Contract Administration.

E. This Agreement contains the entire understanding of the parties regarding its subject matter and supersedes all previous written or oral understandings or representations between the parties if any.

F. This Agreement shall be construed under and governed (1) by the internal laws of the State of California applicable to contracts entered into therein without giving effect to its conflicts of the law provisions and (2) by the laws of the United States of America to the extent that those laws preempt California State law. Licensee's sole remedy for breach of any provision of this Agreement shall be an action at law for damages, it being agreed that in no event shall Licensee be entitled to injunctive or other equitable relief.

G. At no time in the past, present or future shall the relationship between Licensor and Licensee be deemed or intended to constitute an agency, partnership, joint venture, or a collaboration for the purpose of sharing any profits or ownership in common. Except as set forth in paragraph 10.B., neither party shall have the right, power, or authority at any time to act on behalf of or to represent the other party, but each party hereto shall be separately and entirely liable for its own debts in all aspects.

H. The headings of the paragraphs of this Agreement are for convenience only and shall not in any way affect the interpretation of any provision of this Agreement.

In order for any amendment or modification to this Agreement to be binding upon Licensor, it must be in writing and signed by both parties.

# WARNER BROS. DOMESTIC TELEVISION DISTRIBUTION

JM 00609

A DIVISION OF WARNER BROS. TELEVISION DISTRIBUTION INC.  
4000 Warner Boulevard - The Triangle Building  
Burbank, CA 91522  
(818)954-8000

## FIELD ORDER - CASH & BARTER

LICENSEE <b>Bay City TV, Inc.</b>	STATION/AFFILIATION <b>XETV (FOX)/XUPN (UPN)</b>	DATE OF ORDER <b>5/28/2003</b>
STREET <b>8253 Ronson Road</b>	MARKET/RANK <b>San Diego, CA/26</b>	PCC CITY OF IDENTIFICATION <b>San Diego, CA</b>
CITY/STATE <b>San Diego, CA</b>	ZIP <b>92111</b>	FAX NO. <b>858-268-8351</b>
SALESPERSON <b>Mark O'Brien</b>		PHONE NO. <b>858-279-6666</b>

### JUDGE MATHIS 04/05, 05/06 & 06/07

Licensee agrees to license from Licensor the right to broadcast JUDGE MATHIS ("Program") for the period commencing 9/13/2004 through 9/9/07 (3 years) ("License Term") on the following basis:

FIRST RUN SERIES <b>JUDGE MATHIS 04/05, 05/06 &amp; 06/07</b>	ORIGINALS <b>30 wks/year</b>	
WEEKLY LICENSE FEE <b>\$1,700/wk all 3 years</b>	BARTER WITHIN SERIES (per day) <b>1<sup>st</sup> Run: 3.5/10.5 split 2<sup>nd</sup> Run: 7/7 split</b>	REPEATS <b>22 wks/year</b>
SPECIAL BARTER	TOTAL <b>520 total telecasts</b>	
LICENSED TIME PERIODS		
1 <sup>st</sup> Run: M-F Start Time: <b>9AM</b> End Time: <b>8PM</b>		
2 <sup>nd</sup> Run: M-F Start Time: <b>9AM</b> End Time: <b>1AM</b>		
DELIVERY Satellite at no charge. If videotape requested, Station will pay: \$30/half-hour - \$55/hour or \$125/two-hour videotape, plus shipping both ways		

PAVMENT/ADDITIONAL TERMS    **The Program may air on XETV or XUPN, provided that each run on either station shall count against the Total number of telecasts licensed hereunder. Licensee shall pay the total license fee in twelve (12) consecutive monthly installments per year based on the standard broadcast calendar commencing 9/13/04.**

LICENSEE'S BROADCAST OF EACH EPISODE (AND ALL OF THE CONTENT CONTAINED THEREIN, INCLUDING, WITHOUT LIMITATION, LICENSOR'S BARTER TIME), AND THE PAYMENT OF THE LICENSE FEES, IF ANY, IS OF THE ESSENCE OF THIS FIELD ORDER. IF THE AGREEMENT INCLUDES A CASH LICENSE FEE THEN ANY PAYMENT NOT MADE WITHIN 30 DAYS OF ITS DUE DATE WILL BEAR INTEREST AT THE RATE OF 1 1/4% PER MONTH (OR SUCH LOWER MAXIMUM RATE, IF ANY, SPECIFIED BY CONTROLLING LAW). STATION SHALL BROADCAST THE EPISODES ON ITS PRIMARY DIGITAL CHANNEL, IF ANY, SIMULTANEOUSLY WITH ITS REQUIRED NTSC BROADCASTS. LICENSOR SHALL NOT LICENSE THE EPISODES LICENSED HEREUNDER BY MEANS OF FREE OVER-THE-AIR TELEVISION IN THE ENGLISH LANGUAGE DURING THE LICENSE TERM TO ANOTHER FREE OVER-THE-AIR TELEVISION STATION WHOSE SIGNAL ORIGINATES AND WHOSE GEOGRAPHICAL REFERENCE POINT IS WITHIN A THIRTY-FIVE (35) MILE RADIUS OF THE GEOGRAPHICAL REFERENCE POINT OF STATION'S MARKET/PCC CITY OF IDENTIFICATION AS DESIGNATED IN THIS FIELD ORDER, AS SPECIFIED IN SECTION 76.53 OF THE FEDERAL COMMUNICATIONS COMMISSION RULES. WITHOUT LIMITING THE FOREGOING, THERE MAY BE CONCURRENT BASIC CABLE AND/OR SUPERSTATION EXHIBITIONS OF THE PROGRAM. ANY AND ALL RIGHTS NOT EXPRESSLY GRANTED TO LICENSEE PURSUANT TO THIS FIELD ORDER ARE EXPRESSLY EXCLUDED FROM THE RIGHTS LICENSED TO LICENSEE HEREUNDER, ARE HEREBY RESERVED FOR LICENSOR, AND MAY BE EXPLOITED BY LICENSOR, AT ANY TIME, IN ITS SOLE DISCRETION. LICENSEE'S SIGNATURE OF THIS FIELD ORDER SHALL FORMALIZE LICENSEE'S OFFER TO LICENSE THE EPISODES PURSUANT TO THE TERMS AND CONDITIONS SET FORTH ABOVE. LICENSOR'S ACCEPTANCE, IF ANY, OF LICENSEE'S OFFER SHALL BE SUBJECT TO THIS FIELD ORDER BEING SIGNED BY LICENSOR'S AUTHORIZED REPRESENTATIVE. IF LICENSOR SIGNS AND ACCEPTS THIS FIELD ORDER, THEN THIS FIELD ORDER SHALL CONSTITUTE A BINDING AGREEMENT BETWEEN LICENSEE AND LICENSOR. LICENSOR HAS THE RIGHT TO INSERT BILLBOARDS, FREE SPOTS, PRODUCT PLACEMENT, AND SPONSOR AND CLOSED-CAPTIONING ANNOUNCEMENTS IN EACH OF THE EPISODES, IN ADDITION TO LICENSOR'S BARTER TIME. LICENSEE ACKNOWLEDGES THAT LICENSEE'S AGREEMENT WITH LICENSOR SHALL BE IN ACCORDANCE WITH, AND SUBJECT TO, STANDARD TERMS AND CONDITIONS, WHICH SHALL BE SENT TO LICENSEE FOLLOWING SIGNATURE OF THIS FIELD ORDER BY BOTH PARTIES PROVIDED THAT IN THE EVENT OF ANY INCONSISTENCIES, THE TERMS OF THIS FIELD ORDER SHALL CONTROL. THIS FIELD ORDER SHALL BE CONSTRUED UNDER AND GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA IN EFFECT AS OF THE DATE HEREOF. THIS FIELD ORDER SHALL BE DEEMED TO BE EXECUTED AND PERFORMED WHOLLY WITHIN THE COUNTY OF LOS ANGELES. IN THE EVENT THAT THE PARTIES ARE UNABLE TO RESOLVE ANY DISPUTE INFORMALLY, THEN SUCH DISPUTE SHALL BE SUBMITTED TO FINAL AND BINDING ARBITRATION. THE ARBITRATION SHALL BE CONDUCTED ACCORDING TO JAMS ARBITRATION RULES AND PROCEDURES AT ITS LOS ANGELES OFFICE AND FOLLOW CALIFORNIA LAW AND THE FEDERAL RULES OF EVIDENCE. NOTWITHSTANDING THE FOREGOING, THE LICENSE HEREOF IS CONTINGENT ON LICENSOR'S RELEASE AND CONTINUING DISTRIBUTION OF THE PROGRAM IN FREE TV SYNDICATION (I.E., NATIONWIDE ON A MARKET-BY-MARKET BASIS).

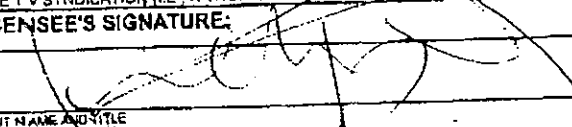
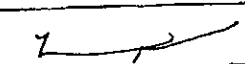
LICENSEE'S SIGNATURE: <b>X</b> 	WARNER BROS. DOMESTIC TELEVISION DISTRIBUTION <b>X</b> 
PRINT NAME AND TITLE <b>Roxanne Modjallal Vice President, Finance</b>	PRINT NAME AND TITLE <b>Mark O'Brien VP, General Manager</b>

EXHIBIT "A"

STANDARD TERMS AND CONDITIONS

The Standard Terms and Conditions set forth below are attached to and made a part of that certain field order, license agreement or deal memorandum ("Agreement") between Licensor and Licensee as specified in the Agreement. Any references to the Agreement contained hereinbelow shall be deemed to include these Standard Terms.

As used herein, "Program" shall refer to a theatrical motion picture, a made-for-television movie and/or the pilot and/or an episode or episodes of a television series and/or television special(s), as applicable. Licensee acknowledges that each Program was individually listed and separately priced, and that Licensor offered each Program on a Program by Program basis without discrimination and without conditioning the licensing of any one Program upon the licensing of any other Program. Licensee acknowledges that it desires to acquire a license for each Program and that the license for all Programs are included in this Agreement for convenience only. In the event that the negotiations were conducted on an aggregate fee basis, Licensee acknowledges that such fee arrangement was done at its request, although it had an opportunity to negotiate on a Program by Program basis. Licensee further acknowledges that it is fully aware of Licensor's policy to afford Licensee and all other television stations, if any, in Licensee's market area, the opportunity to license any one or more of the Programs that Licensor has available for licensing in said market area, and that Licensor has actually afforded Licensee such opportunity; that Licensee is freely entering into this Agreement upon the terms herein contained; that there are no conditions or representations of any kind other than those expressly stated herein; that in licensing any one Program hereunder Licensor in no way has compelled Licensee to license any other Program; and, that no representative of Licensor has any authority to alter Licensor's policy referred to in this paragraph. Licensor and Licensee acknowledge that the possession of the right to broadcast constitutes a use of the product by Licensee. Licensor and Licensee acknowledge that the timely performance of all obligations under this Agreement is essential. Licensor's business, not only with Licensee but also with others similarly situated, requires that it be able to rely on the faithful and timely performance of all obligations of Licensee under this Agreement.

1. BROADCASTING RIGHTS.

A. The Program may only be broadcast in the English language: (i) on Free TV (as defined below) up to the number of times specified in the Agreement to non-paying audiences; (ii) if the station as set forth in the Agreement ("Station") is a UHF, VHF or digital broadcast, low power, or translator television station, then only from the existing originating television transmitter of such Station; and (iii) if Station is a local cable television system, then only to the individual subscribers of the system located within the Market described in the Agreement.

B. "Free TV" means conventional, free, over-the-air VHF,UHF or digital broadcast, or cable television transmission by television broadcast stations, station groups or networks, the video and audio portions of which are intended to be intelligibly received without charge by means of a home roof-top or self-contained antenna for viewing on a television receiver set or its equivalent in the viewer's home. Neither governmental television receiver assessments or taxes, nor periodic service charges made by cable systems (other than a charge for pay television viewing) shall be considered a viewer charge.

C. Station may not authorize any broadcast to be amplified, retransmitted or relayed by any translator or booster station, satellite, community antenna system, cable television system, or any other method not expressly authorized in this Agreement. Notwithstanding the foregoing, Licensor agrees that Station may, pursuant to the provisions of the Cable Television Consumer Protection and Competition Act of 1992 and the Satellite Home Viewer Improvement Act of 1999 (collectively, the "Acts"), request or authorize any cable television system or satellite carrier, as defined in the Acts, to retransmit over its facilities, the television signal transmitted by Station, including the Program licensed hereunder.

D. Station shall broadcast the Program on its primary digital channel, if any, simultaneously with its required NTSC broadcasts. The content of the simultaneous digital broadcast of the Program, including, without limitation, all commercial advertisements, shall be identical to the NTSC broadcasts. For purposes of this provision, Station's "Primary Digital Channel" shall be the following: (i) If Station is affiliated with a broadcast network (including,

without limitation, ABC, CBS, NBC, Fox, The WB, UPN, PAX or any other network that offers an interconnected program service on a regular basis for fifteen (15) or more hours per week to at least twenty-five (25) stations in ten (10) or more states), the same digital channel on which Station's primary network programming is broadcast; or (ii) if Station is not affiliated with a broadcast network, the same digital channel on which Station simulcasts more than fifty percent (50%) of the total hours of programming available on its NTSC channel, or (but only if Station does not simulcast at least fifty percent (50%) of its total hours of NTSC programming on one digital channel) the digital channel which delivers the highest average rating as determined by the A.C. Nielsen company for the 6:00 AM - 2:00 AM period within Station's DMA.

E. Except as set forth in the Agreement, Licensor reserves all rights not licensed in each Program hereunder, including, without limitation, the right to license the Program by means of basic cable, pay cable, pay-per-view, video-on-demand, near video-on-demand, subscription video-on-demand, superstation, electronic delivery via the Internet, home video, Free TV in all languages other than English, or by any other means now known or hereafter devised. Licensor may exploit such reserved rights as Licensor sees fit without restriction.

2. LICENSE TERM AND BROADCAST WINDOW(S).

A. The License Term for each Program begins on the earlier of the date of first broadcast of the Program, or the start date stated in the Agreement. The License Term for each Program shall end on the earlier of the expiration of the License Term as specified in the Agreement or the date of its last licensed broadcast. Licensor may change the start of the License Term for any Program upon timely notice to Licensee.

B. Licensee shall not change the Broadcast Window(s) as set forth in the Agreement without Licensor's prior written consent. All time references in the Agreement are local time for Station. Unless otherwise provided for in the Agreement, Licensee shall not broadcast the Program during the prime time hours of M-Sat 8:00 PM - 11:00 PM and Sun 7:00 PM - 11:00 PM (EST/PST) or M-Sat 7:00 PM - 10:00 PM and Sun. 6:00 PM - 10:00 PM (CST/MST) during a broadcast network's license term, if any.

3. CONSIDERATION.

A. CASH: Where the Agreement includes monetary payments, Licensee shall pay the amounts specified for each Program whether or not all authorized broadcasts occur. Monthly payments are due on the first of each consecutive month beginning as stated in the Agreement, continuing uninterrupted until the total license fee is paid or the last authorized broadcast, whichever is earlier.

B. BARTER AND OTHER CONSIDERATION:

i. Where the Agreement includes commercial time, Licensee shall provide the commercial time specified for each Program whether or not the authorized broadcasts occur. If Licensee fails to provide any required commercial time, Licensee shall at Licensor's election either promptly provide Licensor with comparable substitute commercial time in accordance with Licensor's instructions or pay Licensor the national media value for such time as determined by Licensor. Licensor and Licensee shall each be entitled to retain all revenues derived from their respective commercial advertisement time. In addition to its commercial advertisement time, Licensor shall have the right to insert billboards, fee spots and sponsor and closed-captioning announcements in each Program, in its sole discretion. Additionally, Licensor shall have the right to insert product placement into the Program. Licensee shall broadcast the Program in the order designated by Licensor for broadcast during each week, it being understood that Licensor shall determine, in its sole discretion, the episodic sequence of such Program broadcast and the number of times each such Program shall be rebroadcast. Licensee shall broadcast each Program without deletion or change in the Program or in the commercials or other content furnished by Licensor, except that Licensee may add its commercial material in the commercial positions provided by Licensor. Licensee's commitment to broadcast the Program is a firm broadcast commitment and there shall be no "warehousing" (i.e., Licensee must broadcast the Program, including Licensor's commercial time and other announcements).

ii. Licensee shall only be permitted to preempt the broadcast of a Program due to an event of urgent importance or to broadcast a unique one-time special event. In the event of such an authorized preemption, the Program shall be rescheduled and broadcast during the current or the immediately following Monday through Sunday broadcast week within the applicable Broadcast Window or in another broadcast window pre-approved by Licensor, in its sole discretion and



Licensee shall, at its own expense, insert Licensor's Barter Time and fee spots designated by Licensor for the then current broadcast day into the positions within the Program as designated by Licensor. Licensee shall comply with Licensor's requirements with respect to Barter Time and other announcements that must air on or by a certain date. Licensee shall immediately notify Licensor of a preemption and of the reason therefor. Failure to comply with the above provisions shall constitute a default by Licensee and shall entitle Licensor to all of its rights and remedies hereunder.

C. GENERAL: Each payment must be made to Licensor free of any off-sets, claims, taxes or other charges. Any payment not made within thirty (30) days of its due date shall bear interest at the rate of one and one-half percent (1 1/2%) per month (or such lower maximum rate, if any, specified by controlling law). Acceptance of any payment after its due date shall not constitute a waiver by Licensor of any of its rights except as to such payment. Timely payment and/or provision of all commercial time is/are of the essence of this Agreement, and is an express condition precedent to Licensee's right to exercise any broadcasting rights in any Program.

#### 4. USAGE REPORTS AND AFFIDAVITS.

A. Where the Agreement includes License Fee(s) as the only form of remuneration payable from Licensee to Licensor, Licensee shall give Licensor notice in writing of the date on which Licensee intends to broadcast the Program by no later than thirty (30) days prior to the date of such scheduled broadcast.

B. Licensee shall, within thirty (30) days following each broadcast hereunder, furnish Licensor with an affidavit of performance which shall certify the date, time and place of each broadcast and any of Licensor's commercial and other announcements included in such broadcast. Affidavits shall be sent to: Director of Clearance Validation, 4000 Warner Boulevard, Building 118, Room 4004, Burbank, CA 91522. In the event of a preemption, Licensee shall immediately notify Licensor of the reason therefor and shall furnish to Licensor an affidavit certified as correct by an officer of Licensee that such preempted Program (listed by name) and Licensor's commercial inventory and all other announcements (listed by commercial ID number) contained therein were actually broadcast during the make good period as set forth in Paragraph 3B(ii) above and the respective date(s) and time(s) of any such broadcast(s). Licensee acknowledges that the receipt of said affidavits is essential in order for Licensor to collect from its advertisers the compensation due to Licensor by virtue of the sale of Licensor's commercial time in the Program. Therefore, any failure by Licensee to furnish said affidavits in a timely manner as set forth herein shall be deemed a material breach of the Agreement and shall entitle Licensor to exercise all of its rights and remedies set forth in the Agreement, including, without limitation, all of Licensor rights and remedies at law and in equity.

#### 5. DELIVERY AND RETURN OF MATERIALS.

A. Licensor shall deliver materials for the Program ("Materials") as specified in the Agreement. If no Materials are specified, Licensor shall notify Licensee of the Materials to be delivered as well as the method of delivery promptly after Licensor receives notice from Licensee of a scheduled broadcast date. Where the Agreement includes License Fee(s) as the only form of remuneration payable from Licensee to Licensor, Licensor requires at least thirty (30) days notice of the scheduled broadcast date of any Program. If less than thirty (30) days notice is given, Licensor shall not be responsible for late delivery.

B. For any Program delivered on tape, Licensor shall make available said Program on a 1", 3/4" or Beta SP videotape format, or as otherwise specified in the Agreement. Licensor's delivery shall be complete when Licensor has either physically delivered the Program to Licensee or its agent, or has given the Program to Licensor's carrier f.o.b. its place of shipment. If Licensor delivers any Program and/or commercial reel via tape, Licensee shall pay the cost as determined by Licensor for each such tape, payable upon receipt of Licensor's invoice therefore. Licensee shall pay all costs of delivery, including shipping, handling and insurance.

C. For any booking Program ("Booking Program") obtained by Licensee for the purpose of dubbing onto Licensee's tape stock, (i.e., book and dub) Licensee shall pay the cost of shipping said Booking Program to it and, within three (3) days and at its own expense, return or transship said Booking Program to any address specified by Licensor. Additionally, any Booking Program must be returned in the same condition as it was received (allowing for normal wear and tear) or Licensee shall be held responsible for the cost to duplicate an identical Booking Program.

D. Licensee shall be responsible for the maintenance, storage, shipping, handling and insurance costs of any library Program ("Library Program") licensed by Licensee. Upon completion of contracted broadcasts or at the end of the License Term, whichever comes first, Licensee shall, at its option and expense, either return said Library Program to Licensor at an address specified by Licensor or destroy said Library Program and immediately issue a certificate of destruction for each Library Program.

E. Licensee may not allow copying except to permit an authorized broadcast or part with the possession of any Program except for return shipment per the Agreement.

F. If delivery is by satellite, Licensor shall be responsible for all "uplinking" transmission costs, and Licensee shall be responsible for arranging to receive the satellite transmission and for all "downlinking" reception costs. Licensee's failure to make suitable "downlinking" arrangements, or failure to receive any Program due to technical "downlink" or reception failure shall not affect Licensee's obligations hereunder. Where the Program includes commercial time or other announcement time, Licensee shall destroy any tape of such Program immediately after the broadcast for which the satellite feed was intended, at its expense. For all other Programs, Licensee shall destroy any tape of such Program on the earlier of Licensor's last authorized broadcast or the end of the License Term, at its expense.

#### 6. EXAMINATION OF MATERIALS.

A. Licensee shall examine all Materials immediately after their receipt. If any Materials are unsuitable Licensee shall immediately notify Licensor who, at Licensor's option, shall furnish suitable replacements of the Program in question or grant a proportionate credit with respect to the portion of the License Fee allocable to the Program, it being acknowledged that Licensor shall have no other obligation or liability to Licensee whatsoever. A Program shall be deemed suitable unless notice of defect is given within three (3) business days following receipt. Licensor shall not be deemed to be in breach of the Agreement as a result of any defect or unsuitability of any Materials.

B. All materials which Licensee produces for the broadcast of any Program shall become the property of Licensor. Following the broadcast for which they were produced, Licensee shall, at its option and expense, either return said materials to Licensor at an address specified by Licensor or destroy such materials and immediately issue a certificate of destruction.

#### 7. RESTRICTIONS ON ALTERATIONS.

A. Licensee, at its own expense, may only insert commercials in the Program in the spaces designated by Licensor, and not in a manner which adversely affects a Program's artistic or pictorial quality. All commercials inserted by Licensee must be removed without damage before the Program is returned. A "cut in" fee may not be charged.

B. Except for inserting commercials, Licensee may not alter or serialize any Program. Licensee may not delete or alter the copyright notice, trademark notice or credits in any Program.

C. Licensee shall not alter any Material provided to Licensee by Licensor without Licensor's prior permission, including, but not limited to, print ads, radio, television or cable spots.

8. ADVERTISING AND BILLING. USE OF NAMES AND LIKENESSES. Licensor shall furnish Licensee such promotional and advertising Materials for use by Station as Licensor may have available and appropriate for use hereunder. Licensee shall use its best efforts to promote Licensee's broadcast of the Program. Licensee warrants and agrees that (i) it shall comply with Licensor's advertising and billing requirements and Licensor's limitations on the use of the names and likenesses of the actors and characters for each Program, as notified; (ii) none of its advertising or billing shall infringe on the rights of others or constitute an express or implied endorsement of any product, service or sponsor, other than the Program itself; (iii) it shall not advertise any title changed by Licensor or Program withdrawn by Licensor; (iv) Licensee, its sponsors and advertisers shall abide by and comply with the screen billing in the same form as it appears in the Program, that is, all advertising shall give cast and other credits in the same manner, position and relative size and prominence of type as those credits appear in the main title of the respective Program; (v) it shall not create, develop, extract or excerpt from the Program to advertise and promote the Program; (vi) it shall comply with all Collective Bargaining Agreements concerning advertising and promotion requirements with respect to any Program; (vii) no authorized

except from any Program may exceed two (2) minutes in length; (viii) it shall not promote the Program via the Internet without Licensor's approval; and (ix) it shall indemnify Licensor against all costs, damages, and expenses, including but not limited to reasonable attorneys' fees incurred by or caused to Licensor by reason of any actual or alleged breach by Licensee of the provisions of this paragraph.

9. **MUSIC.** Licensor represents that, to the best of its knowledge, the non-dramatic television performing rights in the music embodied in each Program: (a) are controlled by BMI, ASCAP, SESAC, or other performing rights society having authority over Licensee's broadcast of the Program; (b) are in the public domain; or (c) are controlled by Licensor to the extent necessary to permit Licensee's broadcast of each Program. Upon request Licensor shall furnish Licensee with available music cue sheets for any Program. With regard to music in category (a), Licensee shall at its own expense obtain any licenses required to broadcast or perform any such music.

#### 10. **TAXES, ROYALTIES AND FEES.**

A. Licensee shall pay all taxes (including without limitation sales, use, VAT and remittance), duties, and any other charges, including interest and penalties, now or later imposed on or resulting from the license, rental, delivery, broadcast, possession or use by Station of any Program. To the extent that any such taxes, duties and any other charges (or penalties or interest thereon) are paid by Licensor, Licensee shall reimburse Licensor therefor on demand.

B. **ROYALTIES AND FEES:** Any royalties or fees which may be paid to or received by Licensee by virtue of any statute, governmental regulation, by operation of law or in any other manner on account of private recording or amplification, retransmission, or relaying of the Program on any station, translator, repeater, satellite, cable television system, relay broadcasts, network simultaneous transmission or otherwise shall belong to Licensor, and if received by Licensee, shall be held by Licensee as agent and/or trustee for Licensor and shall be promptly paid over to Licensor. In addition, Licensee hereby assigns to Licensor for the Program licensed hereunder all of Licensee's right and interest to any royalty payments to which Licensee may be entitled pursuant to Section 111(d) of the Copyright Revision Act of 1976 ("Copyright Act"), or similar legislation that may hereafter be enacted, and Licensor may, for Licensor's own interests and the interests of Licensee, make whatever application is necessary to petition for such royalty payments. Licensee agrees to do all such acts and execute all such documents as Licensor may hereafter require in order to comply with the requirements of the Copyright Act, and Licensee hereby appoints Licensor as Licensee's attorney-in-fact and duly authorized agent to do all such acts and execute all such documents on its behalf if Licensee shall fail to do so within one month of any request. Licensee acknowledges that the foregoing power-of-attorney is deemed coupled with an interest.

#### 11. **SUSPENSION AND WITHDRAWAL.**

A. Licensor may, in its sole discretion, either suspend delivery or broadcast of any Program temporarily or withdraw any Program permanently if Licensor determines that the broadcasting thereof would or might: (i) infringe the rights of others; (ii) violate any law, court order, government regulation or other ruling of any governmental agency; or (iii) subject Licensor to any liability or litigation. Furthermore, Licensor may withdraw any Program (i) if Licensor determines that the rights to the literary, dramatic or musical material upon which said Program is based have expired or may expire during its License Term; (ii) if Licensor determines that Licensor's materials are unsuitable for making broadcast quality prints, tapes, cassettes or discs; or (iii) due to Force Majeure (as defined below).

B. Licensee shall not be entitled to claim damages for any suspension. If any suspension lasts for more than six (6) consecutive months, either party may terminate this Agreement with respect to the suspended Program on ten (10) days notice. If not so terminated then the License Term for the suspended Program may, in Licensor's sole discretion, be extended for the length of each suspension, but not beyond the expiration of Licensor's right to license the suspended Program to Licensee.

C. If any Program is withdrawn or this Agreement is terminated with respect to any Program after a suspension period, then Licensee shall be entitled, at Licensor's election, to: (i) a substitute Program of comparable quality to the withdrawn Program; or (ii) receive an equitable proportion as allocated by Licensor of any amounts paid. Licensee's sole remedy shall be one of the remedies set forth in this subparagraph, except as provided in Paragraph 12.

D. "Force Majeure" means any fire, flood, earthquake, or public disaster; strike or labor dispute; unavailability of any major talent committed to the Program; unavoidable accident; breakdown of electrical or sound equipment; failure to timely perform by any laboratory or supplier; delay or lack of transportation; embargo, riot, war (whether or not declared), insurrection or civil unrest; any Act of God; any act of any legally constituted authority; or any other cause beyond the reasonable control of Licensor.

12. **TERMINATION OF PRODUCTION.** If production or delivery of the Program is terminated for any reason during the License Term, Licensor upon ten (10) days notice to Licensee may cancel this Agreement without further liability to Licensor. License fees shall be prorated to the effective date of termination. Licensee's barter obligation, if any, shall continue until the effective date of termination.

13. **EARLY TERMINATION.** Where the Agreement includes License Fee(s) as the only form of remuneration payable from Licensee to Licensor, at such time as the number of remaining unplayed telecasts equals twenty percent (20%) or less of the total number of telecasts licensed hereunder or at such time as eighteen (18) months or less remain of the License Term, Licensor may terminate the Agreement on thirty (30) days notice. In such event Licensor shall pay to Licensee (or credit Licensee's account with Licensor if such account is in arrears) an amount equal to the proportionate percentage of the unplayed telecasts to the total License Fee as allocated by Licensor.

#### 14. **DEFAULT.**

A. Licensee shall be deemed in default if: (i) Licensee fails to pay its debts when due; (ii) Licensee seeks relief under any bankruptcy law or similar provision for the protection of debtors; (iii) Licensee fails to make any payment in accordance with the terms of this Agreement and such failure continues for a period of ten (10) days; (iv) Licensee is in breach of or breaches any provision of this Agreement or any other agreement between Licensee and Licensor or any affiliate of Licensor; (v) Licensee attempts to make any assignment, transfer or sublicense of this Agreement without Licensor's consent as provided in Paragraph 20A; (vi) Licensee and/or Station ceases or suspends operations; or (vii) Licensee loses control of, whether voluntarily or otherwise, the Station, its interest therein, or its license to operate the Station.

B. In the event of a default by Licensee, Licensor may terminate this Agreement or any other agreement between Licensee and Licensor or any affiliate of Licensor and/or proceed against Licensee for legal and equitable relief and/or may suspend delivery of the Program and declare the License Fee (and any additional sums payable under the Agreement) immediately due and payable to Licensor regardless of the due date thereof. Upon Licensee's receipt of notice of default, Licensee shall return all Materials in Licensee's possession or under Licensee's control to Licensor immediately.

C. Default by Licensor is limited to the particular Program to which the default applies. No default by Licensor as to one Program shall be a default as to any other Program. Licensee shall promptly give Licensor written notice of any claimed default and Licensor shall have twenty (20) days after its receipt of such notice to commence and diligently pursue cure of such default. Only if Licensor fails to do so, may Licensee proceed against Licensor for available relief; provided that Licensee's sole remedy for breach of any provision of this Agreement shall be an action at law for damages, it being agreed that in no event shall Licensee be entitled to injunctive or other equitable relief.

15. **INSOLVENCY.** The parties hereby agree and intend that this Agreement is an executory contract governed by Section 365 of the U.S. Bankruptcy Code ("Bankruptcy Code"). In the event of Licensee's bankruptcy, the parties intend that any royalties payable under this Agreement during the bankruptcy period be deemed administrative claims under the Bankruptcy Code because the parties recognize and agree that the bankruptcy estate's enjoyment of this Agreement will (i) provide a material benefit to the bankruptcy estate during its reorganization and (ii) deny Licensor the benefit of the exploitation of the rights through alternate means during the bankruptcy reorganization. The parties acknowledge and agree that any delay in the decision of the trustee of the bankruptcy estate to assume or reject the Agreement (the "Decision Period") materially harms Licensor by interfering with Licensor's ability to alternatively exploit the rights granted under this Agreement during a Decision Period of uncertain duration. The parties recognize that arranging appropriate alternative exploitation would be a time consuming and expensive process and that it is unreasonable for Licensor to endure a Decision Period of extended uncertainty. Therefore, the parties agree that the Decision Period shall not exceed sixty (60)

days. Licensor, in its interest to safeguard its valuable interests (including, without limitation, its intellectual property rights in the licensed property), has relied on the particular skill and knowledge base of Licensee. Therefore, the parties acknowledge and agree that in a bankruptcy context this Agreement is a license of the type described by Section 365(c)(1) of the Bankruptcy Code and may not be assigned without the prior written consent of the Licensor.

**16. LICENSOR'S WARRANTIES.** Licensor represents and warrants that:

A. Except with respect to any material added by Licensee and except with respect to music which is specifically provided for herein, it has authority to license rights specified in this Agreement.

B. No exercise of rights granted to Licensee in any Program shall: (i) infringe any third party's copyright, trademark or other property right; or (ii) defame or violate any right of privacy or infringe any personal right of any third party.

C. Licensor shall advise Licensee of information, of which it has actual knowledge, concerning any matter included in the Program for which any money, service or other valuable consideration was paid, or accepted. This shall not include services or property furnished without charge, or at a nominal charge, for use on a Program unless it is furnished in consideration for an identification in the Program of any person, product, services, trademark, or brand name beyond an identification which is reasonably related to the use of the service or property in such Program.

**17. INDEMNITIES.**

A. Licensor shall indemnify and hold harmless Licensee (including its officers, directors, employees and agents) against any damages awarded in any final judgment entered against Licensee (other than for loss of profits or consequential damages sustained by Licensee) or settlement approved by Licensor, due to Licensor's breach of any of its representations or warranties, provided, however, prompt detailed written notice of claim of such breach or warranty is given by Licensee to Licensor. Licensor shall have full control over the defense and/or settlement of any claim or litigation including the right to engage its own counsel. Licensee shall cooperate fully with Licensor in the defense or settlement of any such claim or litigation.

B. Licensee shall indemnify and hold harmless Licensor (including its officers, directors, employees and agents) against all claims and expenses (including reasonable attorneys' fees) and liabilities arising from or as the result of (i) Licensee's failure to abide by any restriction on the exercise of any rights granted; (ii) any breach of any of Licensee's obligations, representations or warranties set out in this Agreement; or (iii) the broadcasting of any material in connection with or relating to the Program other than material contained in the Program as delivered by Licensor.

**18. INABILITY TO BROADCAST.** If, without Licensee's fault, Licensee is unable to broadcast the Program for thirty (30) or more continuous days by reason of any Act of God, governmental action, war (whether or not declared), flood, fire or public emergency, then Licensor may, in its sole discretion, extend the License Term with respect to any affected Program for the duration of any such period but not beyond the expiration of Licensor's right to license the Program to Licensee. This extension shall not increase Licensee's time to make payments. Licensor may suspend the delivery of Materials during any extension. If Licensee's inability to broadcast continues for more than six (6) months, then Licensor may terminate this Agreement and give Licensee an equitable adjustment of the total License Fee applicable to the Program not broadcast as allocated by Licensor.

**19. EXCLUSIVITY.** Licensor agrees that during the License Term it shall not license any Program in the English language:

(i) For broadcast by any other television station located in a community located less than thirty-five (35) miles away from the Station's respective reference point, as determined pursuant to the rules and regulations of the F.C.C. as of the date of this Agreement (see 47 CFR Section 76.53), provided that such exclusivity shall not preclude network broadcasts of the Program during the License Term; or

(ii) For local origination cablecasting by any cable television system operating within the "specified zone" of the Station's designated community in its Market as defined in the rules and regulations of the F.C.C. as of the date of the Agreement (see 47 CFR Section 76.5(e)).

**20. ASSIGNMENT.**

A. This Agreement is personal to Licensee. Licensee may not assign or transfer this Agreement, or sublicense or use an agent to exploit any of the rights granted to Licensee, whether voluntarily or involuntarily, without Licensor's prior written consent. An assignment or transfer of a controlling interest in Licensee's capital stock or other evidence of ownership shall require Licensor's consent. If Licensor does consent then this Agreement shall be binding on such authorized assignee, transferee, sublicensee or agent but shall not release Licensee of any of its obligations under this Agreement. Nothing in this paragraph shall release Licensee or its successors in interest from fulfilling Licensee's obligations hereunder.

B. Licensor may assign, transfer or sublicense any of its rights under this Agreement, but no such assignment, transfer or sublicense relieves Licensor of its obligations.

**21. DISPUTE RESOLUTION.**

A. Any and all controversies, claims or disputes arising out of or related to this Agreement or the interpretation, performance or breach thereof, including, but not limited to, alleged violations of state or federal statutory or common law rights or duties, and the determination of the scope or applicability of this agreement to arbitrate ("Dispute"), except as set forth in subparagraphs C and D, below, shall be resolved according to the procedures set forth in subparagraph B, below, which shall constitute the sole dispute resolution mechanism hereunder:

B. **ARBITRATION:** In the event that the parties are unable to resolve any Dispute informally, then such Dispute shall be submitted to final and binding arbitration. The arbitration shall be initiated and conducted according to either the JAMS Streamlined (for claims under \$250,000) or the JAMS Comprehensive (for claims over \$250,000) Arbitration Rules and Procedures, except as modified herein, including the Optional Appeal Procedure, at the Los Angeles office of JAMS, or its successor ("JAMS") in effect at the time the request for arbitration is made (the "Arbitration Rules"). The arbitration shall be conducted in Los Angeles County before a single neutral arbitrator appointed in accordance with the Arbitration Rules. The arbitrator shall follow California law and the Federal Rules of Evidence in adjudicating the Dispute. The parties waive the right to seek punitive damages and the arbitrator shall have no authority to award such damages. The arbitrator shall provide a detailed written statement of decision, which shall be part of the arbitration award and admissible in any judicial proceeding to confirm, correct or vacate the award. Unless the parties agree otherwise, the neutral arbitrator and the members of any appeal panel shall be former or retired judges or justices of any California state or federal court with experience in matters involving the entertainment industry. If either party refuses to perform any or all of its obligations under the final arbitration award (following appeal, if applicable) within thirty (30) days of such award being rendered, then the other party may enforce the final award in any court of competent jurisdiction in Los Angeles County. The party seeking enforcement shall be entitled to an award of all costs, fees and expenses, including attorneys' fees, incurred in enforcing the award, to be paid by the party against whom enforcement is ordered.

C. **INJUNCTIVE RELIEF:** Notwithstanding the foregoing, either party shall be entitled to seek injunctive relief (unless otherwise precluded by any other provision of this Agreement) in the state and federal courts of Los Angeles County.

D. **OTHER MATTERS:** Any Dispute or portion thereof, or any claim for a particular form of relief (not otherwise precluded by any other provision of this Agreement), that may not be arbitrated pursuant to applicable state or federal law may be heard only in a court of competent jurisdiction in Los Angeles County.

**22. AUDIT.**

A. Licensee shall keep full and accurate books and accounts with respect to the Program and Licensor shall have the right to audit and inspect said records at reasonable business hours, or to designate a representative to audit and inspect said records on Licensor's behalf. Licensee agrees that books and accounts are deemed to include all media where information is stored, including electronic media such as computer diskettes, magnetic tape, optical storage methods or any and all other formats necessary to analyze all data Licensor or Licensor's representative find necessary to analyze, review or inspect. Licensor shall have the absolute right to make copies of all data or information, regardless of what medium that data or information may be stored upon. In the event that such examination by Licensor reveals any under-reporting or misrepresentation by Licensee of any item bearing

upon the computation of the amounts payable to Licensor hereunder, Licensee agrees that in addition to recomputing and making immediate payment of the amounts due based on actual and true items together with interest thereon at the rate of two percent (2% ) plus the prime rate of interest charged by and computed on borrowings from Bank of America or the maximum rate permitted by law, whichever is least, (i) Licensee shall, in addition, pay all costs and expenses incurred by Licensor in connection with such audit including any and all attorneys' fees incurred by Licensor in connection with the enforcement and collection of such under-reported or misrepresented amounts, and (ii) notwithstanding anything to the contrary contained herein, Licensor shall have the further right to audit Licensee's books and records retroactively to the commencement of the Agreement.

In the event Licensor decides to exercise this right and conduct an audit and/or an inspection of Licensee's business records, Licensor shall give Licensee at least ten (10) days advance written notice, with said audits limited to one time per calendar year. Licensee agrees that, at Licensor's own discretion, said audit and/or inspection shall be conducted by a nationally recognized firm of certified public accountants and/or by Licensor's own corporate audit department.

B. Licensee shall retain the books, accounts and records with respect to each Program or statement received by Licensor in connection therewith for three (3) years after such Program has been accounted for or such statement has been rendered unless a suit is commenced. However, nothing shall limit Licensor's rights at law in the event that Licensee shall have concealed information from or provided false information to Licensor or its auditors.

### 23. MISCELLANEOUS PROVISIONS.

A. In conflicts between any term of this Agreement and any material law, ordinance, rule or regulation, the latter shall prevail.

B. By entering into this Agreement with Licensee, Licensor does not waive any other breach or default by Licensee in connection with any other agreement. No waiver of any breach in this or any other agreement shall be a waiver of any other breach of the same or any other provision. No waiver is effective unless in writing.

C. All remedies are cumulative, and resort to one shall not preclude resort to any other at any time.

D. All notices shall be in writing and sent to the parties at addresses set forth in the Agreement or otherwise specified by the parties with notice to Licensor addressed to the attention of: Vice President, Contract Administration.

E. This Agreement contains the entire understanding of the parties regarding its subject matter and supersedes all previous written or oral understandings or representations between the parties if any.

F. This Agreement shall be construed under and governed (1) by the internal laws of the State of California applicable to contracts entered into therein without giving effect to its conflicts of the law provisions and (2) by the laws of the United States of America to the extent that those laws preempt California State law. Licensee's sole remedy for breach of any provision of this Agreement shall be an action at law for damages, it being agreed that in no event shall Licensee be entitled to injunctive or other equitable relief.

G. At no time in the past, present or future shall the relationship between Licensor and Licensee be deemed or intended to constitute an agency, partnership, joint venture, or a collaboration for the purpose of sharing any profits or ownership in common. Except as set forth in paragraph 10.B., neither party shall have the right, power, or authority at any time to act on behalf of or to represent the other party, but each party hereto shall be separately and entirely liable for its own debts in all aspects.

H. The headings of the paragraphs of this Agreement are for convenience only and shall not in any way affect the interpretation of any provision of this Agreement.

In order for any amendment or modification to this Agreement to be binding upon Licensor, it must be in writing and signed by both parties.

# WARNER BROS. DOMESTIC TELEVISION DISTRIBUTION

DD100004

A DIVISION OF WARNER BROS. TELEVISION DISTRIBUTION INC.  
4000 Warner Boulevard - The Triangle Building  
Burbank, CA 91522  
(818)954-6000

## FIELD ORDER - BARTER

LICENSEE <b>Bay City TV, Inc.</b>	STATION/AFFILIATION <b>XETV (FOX)/XUPN (UPN)</b>	DATE OF ORDER <b>5/28/2003</b>
STREET <b>8253 Ronson Road</b>	MARKET/RANK <b>San Diego, CA/26</b>	FCC CITY OF IDENTIFICATION <b>San Diego, CA</b>
CITY/STATE <b>San Diego, CA</b>	ZIP <b>92111</b>	TAX NO. <b>858-268-8351</b>
SALES PERSON <b>Mark O'Brien</b>		PHONE NO. <b>858-279-6666</b>

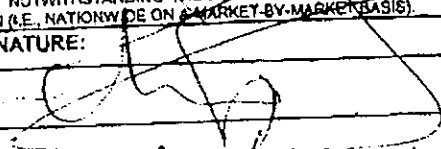
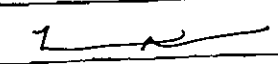
### STREET SMARTS 03/04 & 04/05

Licensee agrees to license from Licensor the right to broadcast STREET SMARTS ("Program") for the period commencing 9/29/2003 through 9/25/05 (2 years) ("License Term") on the following basis:

FIRST RUN SERIES <b>STREET SMARTS 03/04 &amp; 04/05</b>	ORIGINALES <b>30 wks/year</b>	
WEEKLY LICENSE FEE <b>N/A</b>	BARTER WITHIN SERIES (per day) <b>3.5/3.5 split</b>	REPEATS <b>22 wks/year</b>
SPECIAL BARTER		TOTAL <b>Not more than 520 telecasts per year</b>
LICENSED TIME PERIODS		
1 <sup>st</sup> Run: M-F Start Time: 5PM                      End Time: 1:30AM		
2 <sup>nd</sup> Run: Optional M-F Start Time: 9AM                      End Time: 2AM		
DELIVERY Satellite at no charge. If videotape requested, Station will pay: \$30/half-hour - \$55/hour or \$125/two-hour videotape, plus shipping both ways		

PAYMENT/ADDITIONAL TERMS    **The Program may air on XETV or XUPN, provided that each run on either station shall count against**  
**The total number of telecasts licensed hereunder.**

LICENSEE'S BROADCAST OF EACH EPISODE (AND ALL OF THE CONTENT CONTAINED THEREIN, INCLUDING, WITHOUT LIMITATION, LICENSOR'S BARTER TIME), AND THE PAYMENT OF THE LICENSE FEES, IF ANY, IS OF THE ESSENCE OF THIS FIELD ORDER. IF THE AGREEMENT INCLUDES A CASH LICENSE FEE THEN ANY PAYMENT NOT MADE WITHIN 30 DAYS OF ITS DUE DATE WILL BEAR INTEREST AT THE RATE OF 1 1/2% PER MONTH (OR SUCH LOWER MAXIMUM RATE, IF ANY, SPECIFIED BY CONTROLLING LAW). STATION SHALL BROADCAST THE EPISODES ON ITS PRIMARY DIGITAL CHANNEL, IF ANY, SIMULTANEOUSLY WITH ITS REQUIRED NTSC BROADCASTS. LICENSOR SHALL NOT LICENSE THE EPISODES LICENSED HEREUNDER BY MEANS OF FREE OVER-THE-AIR TELEVISION IN THE ENGLISH LANGUAGE DURING THE LICENSE TERM TO ANOTHER FREE OVER-THE-AIR TELEVISION STATION WHOSE SIGNAL ORIGINATES AND WHOSE GEOGRAPHICAL REFERENCE POINT IS WITHIN A THIRTY-FIVE (35) MILE RADIUS OF THE GEOGRAPHICAL REFERENCE POINT OF STATION'S MARKET/FCC CITY OF IDENTIFICATION AS DESIGNATED IN THIS FIELD ORDER, AS SPECIFIED IN SECTION 76.53 OF THE FEDERAL COMMUNICATIONS COMMISSION RULES. WITHOUT LIMITING THE FOREGOING, THERE MAY BE CONCURRENT BASIC CABLE AND/OR SUPERSTATION EXHIBITIONS OF THE PROGRAM. ANY AND ALL RIGHTS NOT EXPRESSLY GRANTED TO LICENSEE PURSUANT TO THIS FIELD ORDER ARE EXPRESSLY EXCLUDED FROM THE RIGHTS LICENSED TO LICENSEE HEREUNDER, ARE HEREBY RESERVED FOR LICENSOR, AND MAY BE EXPLOITED BY LICENSOR, AT ANY TIME, IN ITS SOLE DISCRETION. LICENSEE'S SIGNATURE OF THIS FIELD ORDER SHALL FORMALIZE LICENSEE'S OFFER TO LICENSE THE EPISODES PURSUANT TO THE TERMS AND CONDITIONS SET FORTH ABOVE. LICENSOR'S ACCEPTANCE, IF ANY, OF LICENSEE'S OFFER SHALL BE SUBJECT TO THIS FIELD ORDER BEING SIGNED BY LICENSOR'S AUTHORIZED REPRESENTATIVE. IF LICENSOR SIGNS AND ACCEPTS THIS FIELD ORDER, THEN THIS FIELD ORDER SHALL CONSTITUTE A BINDING AGREEMENT BETWEEN LICENSEE AND LICENSOR. LICENSOR HAS THE RIGHT TO INSERT BILLBOARDS, FREE SPOTS, PRODUCT PLACEMENT, AND SPONSOR AND CLOSED-CAPTIONING ANNOUNCEMENTS IN EACH OF THE EPISODES, IN ADDITION TO LICENSOR'S BARTER TIME. LICENSEE ACKNOWLEDGES THAT LICENSEE'S AGREEMENT WITH LICENSOR SHALL BE IN ACCORDANCE WITH, AND SUBJECT TO, STANDARD TERMS AND CONDITIONS, WHICH SHALL BE SENT TO LICENSEE FOLLOWING SIGNATURE OF THIS FIELD ORDER BY BOTH PARTIES, PROVIDED THAT IN THE EVENT OF ANY INCONSISTENCIES, THE TERMS OF THIS FIELD ORDER SHALL CONTROL. THIS FIELD ORDER SHALL BE CONSTRUED UNDER AND GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA IN EFFECT AS OF THE DATE HEREOF. THIS FIELD ORDER SHALL BE DEEMED TO BE EXECUTED AND PERFORMED WHOLLY WITHIN THE COUNTY OF LOS ANGELES IN THE EVENT THAT THE PARTIES ARE UNABLE TO RESOLVE ANY DISPUTE INFORMALLY, THEN SUCH DISPUTE SHALL BE SUBMITTED TO FINAL AND BINDING ARBITRATION. THE ARBITRATION SHALL BE CONDUCTED ACCORDING TO JAMS ARBITRATION RULES AND PROCEDURES AT ITS LOS ANGELES OFFICE AND FOLLOW CALIFORNIA LAW AND THE FEDERAL RULES OF EVIDENCE. NOTWITHSTANDING THE FOREGOING, THE LICENSE HEREOF IS CONTINGENT ON LICENSOR'S RELEASE AND CONTINUING DISTRIBUTION OF THE PROGRAM IN FREE TV SYNDICATION (I.E., NATIONWIDE ON A MARKET-BY-MARKET BASIS).

LICENSEE'S SIGNATURE: 	WARNER BROS. DOMESTIC TELEVISION DISTRIBUTION
PRINT NAME AND TITLE <b>Richard Doure Jones / VP General Manager</b>	X  PRINT NAME AND TITLE <b>Roxanne Modjallal Vice President, Finance</b>

## EXHIBIT "A"

### STANDARD TERMS AND CONDITIONS

The Standard Terms and Conditions set forth below are attached to and made a part of that certain field order, license agreement or deal memorandum ("Agreement") between Licensor and Licensee as specified in the Agreement. Any references to the Agreement contained hereinbelow shall be deemed to include these Standard Terms.

As used herein, "Program" shall refer to a theatrical motion picture, a made-for-television movie and/or the pilot and/or an episode or episodes of a television series and/or television special(s), as applicable. Licensee acknowledges that each Program was individually listed and separately priced, and that Licensor offered each Program on a Program by Program basis without discrimination and without conditioning the licensing of any one Program upon the licensing of any other Program. Licensee acknowledges that it desires to acquire a license for each Program and that the license for all Programs are included in this Agreement for convenience only. In the event that the negotiations were conducted on an aggregate fee basis, Licensee acknowledges that such fee arrangement was done at its request, although it had an opportunity to negotiate on a Program by Program basis. Licensee further acknowledges that it is fully aware of Licensor's policy to afford Licensee and all other television stations, if any, in Licensee's market area, the opportunity to license any one or more of the Programs that Licensor has available for licensing in said market area, and that Licensor has actually afforded Licensee such opportunity; that Licensee is freely entering into this Agreement upon the terms herein contained; that there are no conditions or representations of any kind other than those expressly stated herein; that in licensing any one Program hereunder Licensor in no way has compelled Licensee to license any other Program; and, that no representative of Licensor has any authority to alter Licensor's policy referred to in this paragraph. Licensor and Licensee acknowledge that the possession of the right to broadcast constitutes a use of the product by Licensee. Licensor and Licensee acknowledge that the timely performance of all obligations under this Agreement is essential. Licensor's business, not only with Licensee but also with others similarly situated, requires that it be able to rely on the faithful and timely performance of all obligations of Licensee under this Agreement.

#### 1. BROADCASTING RIGHTS.

A. The Program may only be broadcast in the English language: (i) on Free TV (as defined below) up to the number of times specified in the Agreement to non-paying audiences; (ii) if the station as set forth in the Agreement ("Station") is a UHF, VHF or digital broadcast, low power, or translator television station, then only from the existing originating television transmitter of such Station; and (iii) if Station is a local cable television system, then only to the individual subscribers of the system located within the Market described in the Agreement.

B. "Free TV" means conventional, free, over-the-air VHF, UHF or digital broadcast, or cable television transmission by television broadcast stations, station groups or networks, the video and audio portions of which are intended to be intelligibly received without charge by means of a home roof-top or self-contained antenna for viewing on a television receiver set or its equivalent in the viewer's home. Neither governmental television receiver assessments or taxes, nor periodic service charges made by cable systems (other than a charge for pay television viewing) shall be considered a viewer charge.

C. Station may not authorize any broadcast to be amplified, retransmitted or relayed by any translator or booster station, satellite, community antenna system, cable television system, or any other method not expressly authorized in this Agreement. Notwithstanding the foregoing, Licensor agrees that Station may, pursuant to the provisions of the Cable Television Consumer Protection and Competition Act of 1992 and the Satellite Home Viewer Improvement Act of 1999 (collectively, the "Acts"), request or authorize any cable television system or satellite carrier, as defined in the Acts, to retransmit over its facilities, the television signal transmitted by Station, including the Program licensed hereunder.

D. Station shall broadcast the Program on its primary digital channel, if any, simultaneously with its required NTSC broadcasts. The content of the simultaneous digital broadcast of the Program, including, without limitation, all commercial advertisements, shall be identical to the NTSC broadcasts. For purposes of this provision, Station's "Primary Digital Channel" shall be the following: (i) If Station is affiliated with a broadcast network (including,

without limitation, ABC, CBS, NBC, Fox, The WB, UPN, PAX or any other network that offers an interconnected program service on a regular basis for fifteen (15) or more hours per week to at least twenty-five (25) stations in ten (10) or more states), the same digital channel on which Station's primary network programming is broadcast; or (ii) if Station is not affiliated with a broadcast network, the same digital channel on which Station simulcasts more than fifty percent (50%) of the total hours of programming available on its NTSC channel, or (but only if Station does not simulcast at least fifty percent (50%) of its total hours of NTSC programming on one digital channel) the digital channel which delivers the highest average rating as determined by the A.C. Nielsen company for the 6:00 AM - 2:00 AM period within Station's DMA.

E. Except as set forth in the Agreement, Licensor reserves all rights not licensed in each Program hereunder, including, without limitation, the right to license the Program by means of basic cable, pay cable, pay-per-view, video-on-demand, near video-on-demand, subscription video-on-demand, superstation, electronic delivery via the Internet, home video, Free TV in all languages other than English, or by any other means now known or hereafter devised. Licensor may exploit such reserved rights as Licensor sees fit without restriction.

#### 2. LICENSE TERM AND BROADCAST WINDOW(S).

A. The License Term for each Program begins on the earlier of the date of first broadcast of the Program, or the start date stated in the Agreement. The License Term for each Program shall end on the earlier of the expiration of the License Term as specified in the Agreement or the date of its last licensed broadcast. Licensor may change the start of the License Term for any Program upon timely notice to Licensee.

B. Licensee shall not change the Broadcast Window(s) as set forth in the Agreement without Licensor's prior written consent. All time references in the Agreement are local time for Station. Unless otherwise provided for in the Agreement, Licensee shall not broadcast the Program during the prime time hours of M-Sat 8:00 PM - 11:00 PM and Sun 7:00 PM - 11:00 PM (EST/PST) or M-Sat 7:00 PM - 10:00 PM and Sun. 6:00 PM - 10:00 PM (CST/MST) during a broadcast network's license term, if any.

#### 3. CONSIDERATION.

A. CASH: Where the Agreement includes monetary payments, Licensee shall pay the amounts specified for each Program whether or not all authorized broadcasts occur. Monthly payments are due on the first of each consecutive month beginning as stated in the Agreement, continuing uninterrupted until the total license fee is paid or the last authorized broadcast, whichever is earlier.

#### B. BARTER AND OTHER CONSIDERATION:

i. Where the Agreement includes commercial time, Licensee shall provide the commercial time specified for each Program whether or not the authorized broadcasts occur. If Licensee fails to provide any required commercial time, Licensee shall at Licensor's election either promptly provide Licensor with comparable substitute commercial time in accordance with Licensor's instructions or pay Licensor the national media value for such time as determined by Licensor. Licensor and Licensee shall each be entitled to retain all revenues derived from their respective commercial advertisement time. In addition to its commercial advertisement time, Licensor shall have the right to insert billboards, fee spots and sponsor and closed-captioning announcements in each Program, in its sole discretion. Additionally, Licensor shall have the right to insert product placement into the Program. Licensee shall broadcast the Program in the order designated by Licensor for broadcast during each week, it being understood that Licensor shall determine, in its sole discretion, the episodic sequence of such Program broadcast and the number of times each such Program shall be rebroadcast. Licensee shall broadcast each Program without deletion or change in the Program or in the commercials or other content furnished by Licensor, except that Licensee may add its commercial material in the commercial positions provided by Licensor. Licensee's commitment to broadcast the Program is a firm broadcast commitment and there shall be no "warehousing" (i.e., Licensee must broadcast the Program, including Licensor's commercial time and other announcements).

ii. Licensee shall only be permitted to preempt the broadcast of a Program due to an event of urgent importance or to broadcast a unique one-time special event. In the event of such an authorized preemption, the Program shall be rescheduled and broadcast during the current or the immediately following Monday through Sunday broadcast week within the applicable Broadcast Window or in another broadcast window pre-approved by Licensor, in its sole discretion and

Licensee shall, at its own expense, insert Licensor's Barter Time and fee spots designated by Licensor for the then current broadcast day into the positions within the Program as designated by Licensor. Licensee shall comply with Licensor's requirements with respect to Barter Time and other announcements that must air on or by a certain date. Licensee shall immediately notify Licensor of a preemption and of the reason therefor. Failure to comply with the above provisions shall constitute a default by Licensee and shall entitle Licensor to all of its rights and remedies hereunder.

C. **GENERAL:** Each payment must be made to Licensor free of any off-sets, claims, taxes or other charges. Any payment not made within thirty (30) days of its due date shall bear interest at the rate of one and one-half percent (1 ½%) per month (or such lower maximum rate, if any, specified by controlling law). Acceptance of any payment after its due date shall not constitute a waiver by Licensor of any of its rights except as to such payment. Timely payment and/or provision of all commercial time is/are of the essence of this Agreement, and is an express condition precedent to Licensee's right to exercise any broadcasting rights in any Program.

#### 4. USAGE REPORTS AND AFFIDAVITS.

A. Where the Agreement includes License Fee(s) as the only form of remuneration payable from Licensee to Licensor, Licensee shall give Licensor notice in writing of the date on which Licensee intends to broadcast the Program by no later than thirty (30) days prior to the date of such scheduled broadcast.

B. Licensee shall, within thirty (30) days following each broadcast hereunder, furnish Licensor with an affidavit of performance which shall certify the date, time and place of each broadcast and any of Licensor's commercial and other announcements included in such broadcast. Affidavits shall be sent to: Director of Clearance Validation, 4000 Warner Boulevard, Building 118, Room 4004, Burbank, CA 91522. In the event of a preemption, Licensee shall immediately notify Licensor of the reason therefor and shall furnish to Licensor an affidavit certified as correct by an officer of Licensee that such preempted Program (listed by name) and Licensor's commercial inventory and all other announcements (listed by commercial ID number) contained therein were actually broadcast during the make good period as set forth in Paragraph 3B(ii) above and the respective date(s) and time(s) of any such broadcast(s). Licensee acknowledges that the receipt of said affidavits is essential in order for Licensor to collect from its advertisers the compensation due to Licensor by virtue of the sale of Licensor's commercial time in the Program. Therefore, any failure by Licensee to furnish said affidavits in a timely manner as set forth herein shall be deemed a material breach of the Agreement and shall entitle Licensor to exercise all of its rights and remedies set forth in the Agreement, including, without limitation, all of Licensor rights and remedies at law and in equity.

#### 5. DELIVERY AND RETURN OF MATERIALS.

A. Licensor shall deliver materials for the Program ("Materials") as specified in the Agreement. If no Materials are specified, Licensor shall notify Licensee of the Materials to be delivered as well as the method of delivery promptly after Licensor receives notice from Licensee of a scheduled broadcast date. Where the Agreement includes License Fee(s) as the only form of remuneration payable from Licensee to Licensor, Licensor requires at least thirty (30) days notice of the scheduled broadcast date of any Program. If less than thirty (30) days notice is given, Licensor shall not be responsible for late delivery.

B. For any Program delivered on tape, Licensor shall make available said Program on a 1", 3/4" or Beta SP videotape format, or as otherwise specified in the Agreement. Licensor's delivery shall be complete when Licensor has either physically delivered the Program to Licensee or its agent, or has given the Program to Licensor's carrier f.o.b. its place of shipment. If Licensor delivers any Program and/or commercial reel via tape, Licensee shall pay the cost as determined by Licensor for each such tape, payable upon receipt of Licensor's invoice therefore. Licensee shall pay all costs of delivery, including shipping, handling and insurance.

C. For any booking Program ("Booking Program") obtained by Licensee for the purpose of dubbing onto Licensee's tape stock, (i.e., book and dub) Licensee shall pay the cost of shipping said Booking Program to it and, within three (3) days and at its own expense, return or transship said Booking Program to any address specified by Licensor. Additionally, any Booking Program must be returned in the same condition as it was received (allowing for normal wear and tear) or Licensee shall be held responsible for the cost to duplicate an identical Booking Program.

D. Licensee shall be responsible for the maintenance, storage, shipping, handling and insurance costs of any library Program ("Library Program") licensed by Licensee. Upon completion of contracted broadcasts or at the end of the License Term, whichever comes first, Licensee shall, at its option and expense, either return said Library Program to Licensor at an address specified by Licensor or destroy said Library Program and immediately issue a certificate of destruction for each Library Program.

E. Licensee may not allow copying except to permit an authorized broadcast or part with the possession of any Program except for return shipment per the Agreement.

F. If delivery is by satellite, Licensor shall be responsible for all "uplinking" transmission costs, and Licensee shall be responsible for arranging to receive the satellite transmission and for all "downlinking" reception costs. Licensee's failure to make suitable "downlinking" arrangements, or failure to receive any Program due to technical "downlink" or reception failure shall not affect Licensee's obligations hereunder. Where the Program includes commercial time or other announcement time, Licensee shall destroy any tape of such Program immediately after the broadcast for which the satellite feed was intended, at its expense. For all other Programs, Licensee shall destroy any tape of such Program on the earlier of Licensor's last authorized broadcast or the end of the License Term, at its expense.

#### 6. EXAMINATION OF MATERIALS.

A. Licensee shall examine all Materials immediately after their receipt. If any Materials are unsuitable Licensee shall immediately notify Licensor who, at Licensor's option, shall furnish suitable replacements of the Program in question or grant a proportionate credit with respect to the portion of the License Fee allocable to the Program, it being acknowledged that Licensor shall have no other obligation or liability to Licensee whatsoever. A Program shall be deemed suitable unless notice of defect is given within three (3) business days following receipt. Licensor shall not be deemed to be in breach of the Agreement as a result of any defect or unsuitability of any Materials.

B. All materials which Licensee produces for the broadcast of any Program shall become the property of Licensor. Following the broadcast for which they were produced, Licensee shall, at its option and expense, either return said materials to Licensor at an address specified by Licensor or destroy such materials and immediately issue a certificate of destruction.

#### 7. RESTRICTIONS ON ALTERATIONS.

A. Licensee, at its own expense, may only insert commercials in the Program in the spaces designated by Licensor, and not in a manner which adversely affects a Program's artistic or pictorial quality. All commercials inserted by Licensee must be removed without damage before the Program is returned. A "cut in" fee may not be charged.

B. Except for inserting commercials, Licensee may not alter or serialize any Program. Licensee may not delete or alter the copyright notice, trademark notice or credits in any Program.

C. Licensee shall not alter any Material provided to Licensee by Licensor without Licensor's prior permission, including, but not limited to, print ads, radio, television or cable spots.

#### 8. ADVERTISING AND BILLING. USE OF NAMES AND LIKENESSES.

Licensor shall furnish Licensee such promotional and advertising Materials for use by Station as Licensor may have available and appropriate for use hereunder. Licensee shall use its best efforts to promote Licensee's broadcast of the Program. Licensee warrants and agrees that (i) it shall comply with Licensor's advertising and billing requirements and Licensor's limitations on the use of the names and likenesses of the actors and characters for each Program, as notified; (ii) none of its advertising or billing shall infringe on the rights of others or constitute an express or implied endorsement of any product, service or sponsor, other than the Program itself; (iii) it shall not advertise any title changed by Licensor or Program withdrawn by Licensor; (iv) Licensee, its sponsors and advertisers shall abide by and comply with the screen billing in the same form as it appears in the Program, that is, all advertising shall give cast and other credits in the same manner, position and relative size and prominence of type as those credits appear in the main title of the respective Program; (v) it shall not create, develop, extract or excerpt from the Program to advertise and promote the Program; (vi) it shall comply with all Collective Bargaining Agreements concerning advertising and promotion requirements with respect to any Program; (vii) no authorized

excerpt from any Program may exceed two (2) minutes in length; (viii) it shall not promote the Program via the Internet without Licensor's approval; and (ix) it shall indemnify Licensor against all costs, damages, and expenses, including but not limited to reasonable attorneys' fees incurred by or caused to Licensor by reason of any actual or alleged breach by Licensee of the provisions of this paragraph.

9. **MUSIC.** Licensor represents that, to the best of its knowledge, the non-dramatic television performing rights in the music embodied in each Program: (a) are controlled by BMI, ASCAP, SESAC, or other performing rights society having authority over Licensee's broadcast of the Program; (b) are in the public domain; or (c) are controlled by Licensor to the extent necessary to permit Licensee's broadcast of each Program. Upon request Licensor shall furnish Licensee with available music cue sheets for any Program. With regard to music in category (a), Licensee shall at its own expense obtain any licenses required to broadcast or perform any such music.

#### 10. TAXES, ROYALTIES AND FEES.

A. Licensee shall pay all taxes (including without limitation sales, use, VAT and remittance), duties, and any other charges, including interest and penalties, now or later imposed on or resulting from the license, rental, delivery, broadcast, possession or use by Station of any Program. To the extent that any such taxes, duties and any other charges (or penalties or interest thereon) are paid by Licensor, Licensee shall reimburse Licensor therefor on demand.

B. **ROYALTIES AND FEES:** Any royalties or fees which may be paid to or received by Licensee by virtue of any statute, governmental regulation, by operation of law or in any other manner on account of private recording or amplification, retransmission, or relaying of the Program on any station, translator, repeater, satellite, cable television system, relay broadcasts, network simultaneous transmission or otherwise shall belong to Licensor, and if received by Licensee, shall be held by Licensee as agent and/or trustee for Licensor and shall be promptly paid over to Licensor. In addition, Licensee hereby assigns to Licensor for the Program licensed hereunder all of Licensee's right and interest to any royalty payments to which Licensee may be entitled pursuant to Section 111(d) of the Copyright Revision Act of 1976 ("Copyright Act"), or similar legislation that may hereafter be enacted, and Licensor may, for Licensor's own interests and the interests of Licensee, make whatever application is necessary to petition for such royalty payments. Licensee agrees to do all such acts and execute all such documents as Licensor may hereafter require in order to comply with the requirements of the Copyright Act, and Licensee hereby appoints Licensor as Licensee's attorney-in-fact and duly authorized agent to do all such acts and execute all such documents on its behalf if Licensee shall fail to do so within one month of any request. Licensee acknowledges that the foregoing power-of-attorney is deemed coupled with an interest.

#### 11. SUSPENSION AND WITHDRAWAL.

A. Licensor may, in its sole discretion, either suspend delivery or broadcast of any Program temporarily or withdraw any Program permanently if Licensor determines that the broadcasting thereof would or might: (i) infringe the rights of others; (ii) violate any law, court order, government regulation or other ruling of any governmental agency; or (iii) subject Licensor to any liability or litigation. Furthermore, Licensor may withdraw any Program (i) if Licensor determines that the rights to the literary, dramatic or musical material upon which said Program is based have expired or may expire during its License Term; (ii) if Licensor determines that Licensor's materials are unsuitable for making broadcast quality prints, tapes, cassettes or discs; or (iii) due to Force Majeure (as defined below).

B. Licensee shall not be entitled to claim damages for any suspension. If any suspension lasts for more than six (6) consecutive months, either party may terminate this Agreement with respect to the suspended Program on ten (10) days notice. If not so terminated then the License Term for the suspended Program may, in Licensor's sole discretion, be extended for the length of each suspension, but not beyond the expiration of Licensor's right to license the suspended Program to Licensee.

C. If any Program is withdrawn or this Agreement is terminated with respect to any Program after a suspension period, then Licensee shall be entitled, at Licensor's election, to: (i) a substitute Program of comparable quality to the withdrawn Program; or (ii) receive an equitable proportion as allocated by Licensor of any amounts paid. Licensee's sole remedy shall be one of the remedies set forth in this subparagraph, except as provided in Paragraph 12.

D. "Force Majeure" means any fire, flood, earthquake, or public disaster, strike or labor dispute; unavailability of any major talent committed to the Program; unavoidable accident; breakdown of electrical or sound equipment; failure to timely perform by any laboratory or supplier; delay or lack of transportation; embargo, riot, war (whether or not declared), insurrection or civil unrest; any Act of God; any act of any legally constituted authority; or any other cause beyond the reasonable control of Licensor.

12. **TERMINATION OF PRODUCTION.** If production or delivery of the Program is terminated for any reason during the License Term, Licensor upon ten (10) days notice to Licensee may cancel this Agreement without further liability to Licensor. License fees shall be prorated to the effective date of termination. Licensee's barter obligation, if any, shall continue until the effective date of termination.

13. **EARLY TERMINATION.** Where the Agreement includes License Fee(s) as the only form of remuneration payable from Licensee to Licensor, at such time as the number of remaining unplayed telecasts equals twenty percent (20%) or less of the total number of telecasts licensed hereunder or at such time as eighteen (18) months or less remain of the License Term, Licensor may terminate the Agreement on thirty (30) days notice. In such event Licensor shall pay to Licensee (or credit Licensee's account with Licensor if such account is in arrears) an amount equal to the proportionate percentage of the unplayed telecasts to the total License Fee as allocated by Licensor.

#### 14. DEFAULT.

A. Licensee shall be deemed in default if: (i) Licensee fails to pay its debts when due; (ii) Licensee seeks relief under any bankruptcy law or similar provision for the protection of debtors; (iii) Licensee fails to make any payment in accordance with the terms of this Agreement and such failure continues for a period of ten (10) days; (iv) Licensee is in breach of or breaches any provision of this Agreement or any other agreement between Licensee and Licensor or any affiliate of Licensor; (v) Licensee attempts to make any assignment, transfer or sublicense of this Agreement without Licensor's consent as provided in Paragraph 20A; (vi) Licensee and/or Station ceases or suspends operations; or (vii) Licensee loses control of, whether voluntarily or otherwise, the Station, its interest therein, or its license to operate the Station.

B. In the event of a default by Licensee, Licensor may terminate this Agreement or any other agreement between Licensee and Licensor or any affiliate of Licensor and/or proceed against Licensee for legal and equitable relief and/or may suspend delivery of the Program and declare the License Fee (and any additional sums payable under the Agreement) immediately due and payable to Licensor regardless of the due date thereof. Upon Licensee's receipt of notice of default, Licensee shall return all Materials in Licensee's possession or under Licensee's control to Licensor immediately.

C. Default by Licensor is limited to the particular Program to which the default applies. No default by Licensor as to one Program shall be a default as to any other Program. Licensee shall promptly give Licensor written notice of any claimed default and Licensor shall have twenty (20) days after its receipt of such notice to commence and diligently pursue cure of such default. Only if Licensor fails to do so, may Licensee proceed against Licensor for available relief; provided that Licensee's sole remedy for breach of any provision of this Agreement shall be an action at law for damages, it being agreed that in no event shall Licensee be entitled to injunctive or other equitable relief.

15. **INSOLVENCY.** The parties hereby agree and intend that this Agreement is an executory contract governed by Section 365 of the U.S. Bankruptcy Code ("Bankruptcy Code"). In the event of Licensee's bankruptcy, the parties intend that any royalties payable under this Agreement during the bankruptcy period be deemed administrative claims under the Bankruptcy Code because the parties recognize and agree that the bankruptcy estate's enjoyment of this Agreement will (i) provide a material benefit to the bankruptcy estate during its reorganization and (ii) deny Licensor the benefit of the exploitation of the rights through alternate means during the bankruptcy reorganization. The parties acknowledge and agree that any delay in the decision of the trustee of the bankruptcy estate to assume or reject the Agreement (the "Decision Period") materially harms Licensor by interfering with Licensor's ability to alternatively exploit the rights granted under this Agreement during a Decision Period of uncertain duration. The parties recognize that arranging appropriate alternative exploitation would be a time consuming and expensive process and that it is unreasonable for Licensor to endure a Decision Period of extended uncertainty. Therefore, the parties agree that the Decision Period shall not exceed sixty (60)



days. Licensor, in its interest to safeguard its valuable interests (including, without limitation, its intellectual property rights in the licensed property), has relied on the particular skill and knowledge base of Licensee. Therefore, the parties acknowledge and agree that in a bankruptcy context this Agreement is a license of the type described by Section 365(c)(1) of the Bankruptcy Code and may not be assigned without the prior written consent of the Licensor.

**16. LICENSOR'S WARRANTIES.** Licensor represents and warrants that:

A. Except with respect to any material added by Licensee and except with respect to music which is specifically provided for herein, it has authority to license rights specified in this Agreement.

B. No exercise of rights granted to Licensee in any Program shall: (i) infringe any third party's copyright, trademark or other property right; or (ii) defame or violate any right of privacy or infringe any personal right of any third party.

C. Licensor shall advise Licensee of information, of which it has actual knowledge, concerning any matter included in the Program for which any money, service or other valuable consideration was paid, or accepted. This shall not include services or property furnished without charge, or at a nominal charge, for use on a Program unless it is furnished in consideration for an identification in the Program of any person, product, services, trademark, or brand name beyond an identification which is reasonably related to the use of the service or property in such Program.

**17. INDEMNITIES.**

A. Licensor shall indemnify and hold harmless Licensee (including its officers, directors, employees and agents) against any damages awarded in any final judgment entered against Licensee (other than for loss of profits or consequential damages sustained by Licensee) or settlement approved by Licensor, due to Licensor's breach of any of its representations or warranties, provided, however, prompt detailed written notice of claim of such breach or warranty is given by Licensee to Licensor. Licensor shall have full control over the defense and/or settlement of any claim or litigation including the right to engage its own counsel. Licensee shall cooperate fully with Licensor in the defense or settlement of any such claim or litigation.

B. Licensee shall indemnify and hold harmless Licensor (including its officers, directors, employees and agents) against all claims and expenses (including reasonable attorneys' fees) and liabilities arising from or as the result of (i) Licensee's failure to abide by any restriction on the exercise of any rights granted; (ii) any breach of any of Licensee's obligations, representations or warranties set out in this Agreement; or (iii) the broadcasting of any material in connection with or relating to the Program other than material contained in the Program as delivered by Licensor.

**18. INABILITY TO BROADCAST.** If, without Licensee's fault, Licensee is unable to broadcast the Program for thirty (30) or more continuous days by reason of any Act of God, governmental action, war (whether or not declared), flood, fire or public emergency, then Licensor may, in its sole discretion, extend the License Term with respect to any affected Program for the duration of any such period but not beyond the expiration of Licensor's right to license the Program to Licensee. This extension shall not increase Licensee's time to make payments. Licensor may suspend the delivery of Materials during any extension. If Licensee's inability to broadcast continues for more than six (6) months, then Licensor may terminate this Agreement and give Licensee an equitable adjustment of the total License Fee applicable to the Program not broadcast as allocated by Licensor.

**19. EXCLUSIVITY.** Licensor agrees that during the License Term it shall not license any Program in the English language:

(i) For broadcast by any other television station located in a community located less than thirty-five (35) miles away from the Station's respective reference point, as determined pursuant to the rules and regulations of the F.C.C. as of the date of this Agreement (see 47 CFR Section 76.53), provided that such exclusivity shall not preclude network broadcasts of the Program during the License Term; or

(ii) For local origination broadcasting by any cable television system operating within the "specified zone" of the Station's designated community in its Market as defined in the rules and regulations of the F.C.C. as of the date of the Agreement (see 47 CFR Section 76.5(e)).

**20. ASSIGNMENT.**

A. This Agreement is personal to Licensee. Licensee may not assign or transfer this Agreement, or sublicense or use an agent to exploit any of the rights granted to Licensee, whether voluntarily or involuntarily, without Licensor's prior written consent. An assignment or transfer of a controlling interest in Licensee's capital stock or other evidence of ownership shall require Licensor's consent. If Licensor does consent then this Agreement shall be binding on such authorized assignee, transferee, sublicensee or agent but shall not release Licensee of any of its obligations under this Agreement. Nothing in this paragraph shall release Licensee or its successors in interest from fulfilling Licensee's obligations hereunder.

B. Licensor may assign, transfer or sublicense any of its rights under this Agreement, but no such assignment, transfer or sublicense relieves Licensor of its obligations.

**21. DISPUTE RESOLUTION.**

A. Any and all controversies, claims or disputes arising out of or related to this Agreement or the interpretation, performance or breach thereof, including, but not limited to, alleged violations of state or federal statutory or common law rights or duties, and the determination of the scope or applicability of this agreement to arbitrate ("Dispute"), except as set forth in subparagraphs C and D, below, shall be resolved according to the procedures set forth in subparagraph B, below, which shall constitute the sole dispute resolution mechanism hereunder:

B. **ARBITRATION:** In the event that the parties are unable to resolve any Dispute informally, then such Dispute shall be submitted to final and binding arbitration. The arbitration shall be initiated and conducted according to either the JAMS Streamlined (for claims under \$250,000) or the JAMS Comprehensive (for claims over \$250,000) Arbitration Rules and Procedures, except as modified herein, including the Optional Appeal Procedure, at the Los Angeles office of JAMS, or its successor ("JAMS") in effect at the time the request for arbitration is made (the "Arbitration Rules"). The arbitration shall be conducted in Los Angeles County before a single neutral arbitrator appointed in accordance with the Arbitration Rules. The arbitrator shall follow California law and the Federal Rules of Evidence in adjudicating the Dispute. The parties waive the right to seek punitive damages and the arbitrator shall have no authority to award such damages. The arbitrator shall provide a detailed written statement of decision, which shall be part of the arbitration award and admissible in any judicial proceeding to confirm, correct or vacate the award. Unless the parties agree otherwise, the neutral arbitrator and the members of any appeal panel shall be former or retired judges or justices of any California state or federal court with experience in matters involving the entertainment industry.

If either party refuses to perform any or all of its obligations under the final arbitration award (following appeal, if applicable) within thirty (30) days of such award being rendered, then the other party may enforce the final award in any court of competent jurisdiction in Los Angeles County. The party seeking enforcement shall be entitled to an award of all costs, fees and expenses, including attorneys' fees, incurred in enforcing the award, to be paid by the party against whom enforcement is ordered.

C. **INJUNCTIVE RELIEF:** Notwithstanding the foregoing, either party shall be entitled to seek injunctive relief (unless otherwise precluded by any other provision of this Agreement) in the state and federal courts of Los Angeles County.

D. **OTHER MATTERS:** Any Dispute or portion thereof, or any claim for a particular form of relief (not otherwise precluded by any other provision of this Agreement), that may not be arbitrated pursuant to applicable state or federal law may be heard only in a court of competent jurisdiction in Los Angeles County.

**22. AUDIT.**

A. Licensee shall keep full and accurate books and accounts with respect to the Program and Licensor shall have the right to audit and inspect said records at reasonable business hours, or to designate a representative to audit and inspect said records on Licensor's behalf. Licensee agrees that books and accounts are deemed to include all media where information is stored, including electronic media such as computer diskettes, magnetic tape, optical storage methods or any and all other formats necessary to analyze all data Licensor or Licensor's representative find necessary to analyze, review or inspect. Licensor shall have the absolute right to make copies of all data or information, regardless of what medium that data or information may be stored upon. In the event that such examination by Licensor reveals any under-reporting or misrepresentation by Licensee of any item bearing

upon the computation of the amounts payable to Licensor hereunder, Licensee agrees that in addition to recomputing and making immediate payment of the amounts due based on actual and true items together with interest thereon at the rate of two percent (2% ) plus the prime rate of interest charged by and computed on borrowings from Bank of America or the maximum rate permitted by law, whichever is least, (i) Licensee shall, in addition, pay all costs and expenses incurred by Licensor in connection with such audit including any and all attorneys' fees incurred by Licensor in connection with the enforcement and collection of such under-reported or misrepresented amounts, and (ii) notwithstanding anything to the contrary contained herein, Licensor shall have the further right to audit Licensee's books and records retroactively to the commencement of the Agreement.

In the event Licensor decides to exercise this right and conduct an audit and/or an inspection of Licensee's business records, Licensor shall give Licensee at least ten (10) days advance written notice, with said audits limited to one time per calendar year. Licensee agrees that, at Licensor's own discretion, said audit and/or inspection shall be conducted by a nationally recognized firm of certified public accountants and/or by Licensor's own corporate audit department.

B. Licensee shall retain the books, accounts and records with respect to each Program or statement received by Licensor in connection therewith for three (3) years after such Program has been accounted for or such statement has been rendered unless a suit is commenced. However, nothing shall limit Licensor's rights at law in the event that Licensee shall have concealed information from or provided false information to Licensor or its auditors.

### 23. MISCELLANEOUS PROVISIONS.

A. In conflicts between any term of this Agreement and any material law, ordinance, rule or regulation, the latter shall prevail.

B. By entering into this Agreement with Licensee, Licensor does not waive any other breach or default by Licensee in connection with any other agreement. No waiver of any breach in this or any other agreement shall be a waiver of any other breach of the same or any other provision. No waiver is effective unless in writing.

C. All remedies are cumulative, and resort to one shall not preclude resort to any other at any time.

D. All notices shall be in writing and sent to the parties at addresses set forth in the Agreement or otherwise specified by the parties with notice to Licensor addressed to the attention of: Vice President, Contract Administration.

E. This Agreement contains the entire understanding of the parties regarding its subject matter and supersedes all previous written or oral understandings or representations between the parties if any.

F. This Agreement shall be construed under and governed (1) by the internal laws of the State of California applicable to contracts entered into therein without giving effect to its conflicts of the law provisions and (2) by the laws of the United States of America to the extent that those laws preempt California State law. Licensee's sole remedy for breach of any provision of this Agreement shall be an action at law for damages, it being agreed that in no event shall Licensee be entitled to injunctive or other equitable relief.

G. At no time in the past, present or future shall the relationship between Licensor and Licensee be deemed or intended to constitute an agency, partnership, joint venture, or a collaboration for the purpose of sharing any profits or ownership in common. Except as set forth in paragraph 10.B., neither party shall have the right, power, or authority at any time to act on behalf of or to represent the other party, but each party hereto shall be separately and entirely liable for its own debts in all aspects.

H. The headings of the paragraphs of this Agreement are for convenience only and shall not in any way affect the interpretation of any provision of this Agreement.

In order for any amendment or modification to this Agreement to be binding upon Licensor, it must be in writing and signed by both parties.

**WARNER BROS. DOMESTIC TELEVISION DISTRIBUTION**

A DIVISION OF WARNER BROS. TELEVISION DISTRIBUTION INC.  
 4000 Warner Boulevard  
 Burbank, CA 91522  
 (818) 954-6000

**FIELD ORDER - BARTER**

LICENSEE <b>Bay City TV, Inc.</b>		STATION/AFFILIATION <b>XETV (FOX)/XUPN (UPN)</b>	DATE OF ORDER <b>5/28/2003</b>
STREET <b>8253 Ranson Road</b>		MARKET/RANK <b>San Diego, CA/26</b>	FCC CITY OF IDENTIFICATION <b>San Diego, CA</b>
CITY/STATE <b>San Diego, CA</b>		ZIP <b>92111</b>	FAX NO. <b>858-268-8351</b>
SALES PERSON <i>Jim Knapp - Heritage Park</i>		PHONE NO. <b>858-279-6666</b>	

**SHOWTIME AT THE APOLLO**

Licensee agrees to license from Licensor the right to broadcast Showtime at the Apollo ("Program") for the period commencing 10/13/2003 through 10/10/2004 ("License Term") on the following basis:

EPISODES  
**26 weeks of original Episodes & 26 weeks of repeat Episodes**

BARTER TIME WITHIN PROGRAM (PER BROADCAST)  
**8 minutes Licensor & 8 minutes Licensee**

BROADCAST WINDOWS

Run 1: Day(s): Sat or Sun Start Time: 12:00 PM End Time: 2:00 AM

Run 2: Day(s): N/A Start Time: N/A End Time: N/A

Delivery: Satellite at no charge (if available). If videotape requested, Licensee shall pay \$55 per one-hour videotape, plus shipping both ways.

Additional Terms: Licensee may broadcast the Programs on XETV or XUPN provided that each run on either station shall count against the total number of runs licensed hereunder.

LICENSEE'S BROADCAST OF EACH EPISODE (AND ALL OF THE CONTENT CONTAINED THEREIN, INCLUDING, WITHOUT LIMITATION, LICENSOR'S BARTER TIME), AND THE PAYMENT OF THE LICENSE FEES, IF ANY, IS OF THE ESSENCE OF THIS FIELD ORDER. IF THE AGREEMENT INCLUDES A CASH LICENSE FEE THEN ANY PAYMENT NOT MADE WITHIN 30 DAYS OF ITS DUE DATE WILL BEAR INTEREST AT THE RATE OF 1 1/4% PER MONTH (OR SUCH LOWER MAXIMUM RATE, IF ANY, SPECIFIED BY CONTROLLING LAW). STATION SHALL BROADCAST THE EPISODES ON ITS PRIMARY DIGITAL CHANNEL, IF ANY, SIMULTANEOUSLY WITH ITS REQUIRED NTSC BROADCASTS. LICENSOR SHALL NOT LICENSE THE EPISODES LICENSED HEREUNDER BY MEANS OF FREE OVER-THE-AIR TELEVISION IN THE ENGLISH LANGUAGE DURING THE LICENSE TERM TO ANOTHER FREE OVER-THE-AIR TELEVISION STATION WHOSE SIGNAL ORIGINATES AND WHOSE GEOGRAPHICAL REFERENCE POINT IS WITHIN A THIRTY-FIVE (35) MILE RADIUS OF THE GEOGRAPHICAL REFERENCE POINT OF STATION'S MARKET/FCC CITY OF IDENTIFICATION AS DESIGNATED IN THIS FIELD ORDER. AS SPECIFIED IN SECTION 76.54 OF THE FEDERAL COMMUNICATIONS COMMISSION RULES, WITHOUT LIMITING THE FOREGOING, THERE MAY BE CONCURRENT BASIC CABLE AND/OR SUPERSTATION EXHIBITIONS OF THE PROGRAM. ANY AND ALL RIGHTS NOT EXPRESSLY GRANTED TO LICENSEE PURSUANT TO THIS FIELD ORDER ARE EXPRESSLY EXCLUDED FROM THE RIGHTS LICENSED TO LICENSEE HEREUNDER, ARE HEREBY RESERVED FOR LICENSOR AND/OR THE APOLLO THEATER FOUNDATION, AS APPLICABLE, AND MAY BE EXPLOITED BY LICENSOR AND/OR THE APOLLO THEATER FOUNDATION, AS APPLICABLE, AT ANY TIME, IN THEIR SOLE DISCRETION. LICENSEE'S SIGNATURE OF THIS FIELD ORDER SHALL FORMALIZE LICENSEE'S OFFER TO LICENSE THE EPISODES PURSUANT TO THE TERMS AND CONDITIONS SET FORTH ABOVE, AND ACCEPTS THIS FIELD ORDER. THEN THIS FIELD ORDER SHALL CONSTITUTE A BINDING AGREEMENT BETWEEN LICENSEE AND LICENSOR. LICENSOR HAS THE RIGHT TO INSERT BILLBOARDS, FREE SPOTS, PRODUCT PLACEMENT, AND SPONSOR AND CLOSED-CAPTIONING ANNOUNCEMENTS IN EACH OF THE EPISODES, IN ADDITION TO LICENSOR'S BARTER TIME. LICENSEE ACKNOWLEDGES THAT LICENSEE'S AGREEMENT WITH LICENSOR SHALL BE IN ACCORDANCE WITH, AND SUBJECT TO, STANDARD TERMS AND CONDITIONS, WHICH SHALL BE SENT TO LICENSEE FOLLOWING SIGNATURE OF THIS FIELD ORDER BY BOTH PARTIES; PROVIDED THAT IN THE EVENT OF ANY INCONSISTENCIES, THE TERMS OF THIS FIELD ORDER SHALL CONTROL. THIS FIELD ORDER SHALL BE CONSTRUED UNDER AND GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA IN EFFECT AS OF THE DATE HEREOF. THIS FIELD ORDER SHALL BE DEEMED TO BE EXECUTED AND PERFORMED WHOLLY WITHIN THE COUNTY OF LOS ANGELES. IN THE EVENT THAT THE PARTIES ARE UNABLE TO RESOLVE ANY DISPUTE INFORMALLY, THEN SUCH DISPUTE SHALL BE SUBMITTED TO FINAL AND BINDING ARBITRATION. THE ARBITRATION SHALL BE CONDUCTED ACCORDING TO JAMS ARBITRATION RULES AND PROCEDURES AT ITS LOS ANGELES OFFICE AND FOLLOW CALIFORNIA LAW AND THE FEDERAL RULES OF EVIDENCE. NOTWITHSTANDING THE FOREGOING, THE LICENSE HEREOF IS CONTINGENT ON LICENSOR'S RELEASE AND CONTINUING DISTRIBUTION OF THE PROGRAM IN FREE TV SYNDICATION (I.E. NATIONWIDE ON A MARKET-BY-MARKET BASIS).

LICENSEE'S SIGNATURE: X <i>Roxanne Modjallal</i>	WARNER BROS. DOMESTIC TELEVISION DISTRIBUTION X <i>[Signature]</i>
PRINT NAME AND TITLE Roxanne Keane Program Director	PRINT NAME AND TITLE Roxanne Modjallal Vice President, Finance

## EXHIBIT "A"

### STANDARD TERMS AND CONDITIONS

The Standard Terms and Conditions set forth below are attached to and made a part of that certain field order, license agreement or deal memorandum ("Agreement") between Licensor and Licensee as specified in the Agreement. Any references to the Agreement contained hereinbelow shall be deemed to include these Standard Terms.

As used herein, "Program" shall refer to a theatrical motion picture, a made-for-television movie and/or the pilot and/or an episode or episodes of a television series and/or television special(s), as applicable. Licensee acknowledges that each Program was individually listed and separately priced, and that Licensor offered each Program on a Program by Program basis without discrimination and without conditioning the licensing of any one Program upon the licensing of any other Program. Licensee acknowledges that it desires to acquire a license for each Program and that the license for all Programs are included in this Agreement for convenience only. In the event that the negotiations were conducted on an aggregate fee basis, Licensee acknowledges that such fee arrangement was done at its request, although it had an opportunity to negotiate on a Program by Program basis. Licensee further acknowledges that it is fully aware of Licensor's policy to afford Licensee and all other television stations, if any, in Licensee's market area, the opportunity to license any one or more of the Programs that Licensor has available for licensing in said market area, and that Licensor has actually afforded Licensee such opportunity; that Licensee is freely entering into this Agreement upon the terms herein contained; that there are no conditions or representations of any kind other than those expressly stated herein; that in licensing any one Program hereunder Licensor in no way has compelled Licensee to license any other Program; and, that no representative of Licensor has any authority to alter Licensor's policy referred to in this paragraph. Licensor and Licensee acknowledge that the possession of the right to broadcast constitutes a use of the product by Licensee. Licensor and Licensee acknowledge that the timely performance of all obligations under this Agreement is essential. Licensor's business, not only with Licensee but also with others similarly situated, requires that it be able to rely on the faithful and timely performance of all obligations of Licensee under this Agreement.

#### 1. BROADCASTING RIGHTS.

A. The Program may only be broadcast: (i) on English language Free TV (as defined below) up to the number of times specified in the Agreement to non-paying audiences; (ii) if the station as set forth in the Agreement ("Station") is a UHF, VHF or digital broadcast, low power, or translator television station, then only from the existing originating television transmitter of such Station; and (iii) if Station is a local cable television system, then only to the individual subscribers of the system located within the Market described in the Agreement.

B. "Free TV" means conventional, free, over-the-air VHF, UHF or digital broadcast, or cable television transmission by television broadcast stations, station groups or networks, the video and audio portions of which are intended to be intelligibly received without charge by means of a home roof-top or self-contained antenna for viewing on a television receiver set or its equivalent in the viewer's home. Neither governmental television receiver assessments or taxes, nor periodic service charges made by cable systems (other than a charge for pay television viewing) shall be considered a viewer charge.

C. Station may not authorize any broadcast to be amplified, retransmitted or relayed by any translator or booster station, satellite, community antenna system, cable television system, or any other method not expressly authorized in this Agreement. Notwithstanding the foregoing, Licensor agrees that Station may, pursuant to the provisions of the Cable Television Consumer Protection and Competition Act of 1992 and the Satellite Home Viewer Improvement Act of 1999 (collectively, the "Acts"), request or authorize any cable television system or satellite carrier, as defined in the Acts, to retransmit over its facilities, the television signal transmitted by Station, including the Program licensed hereunder.

D. Station shall broadcast the Program on its primary digital channel, if any, simultaneously with its required NTSC broadcasts. The content of the simultaneous digital broadcast of the Program, including, without limitation, all commercial advertisements, shall be identical to the NTSC broadcasts. For purposes of this provision, Station's "Primary Digital Channel" shall be the following: (i) If Station is affiliated with a broadcast network (including,

without limitation, ABC, CBS, NBC, Fox, The WB, UPN, PAX or any other network that offers an interconnected program service on a regular basis for fifteen (15) or more hours per week to at least twenty-five (25) stations in ten (10) or more states), the same digital channel on which Station's primary network programming is broadcast; or (ii) if Station is not affiliated with a broadcast network, the same digital channel on which Station simulcasts more than fifty percent (50%) of the total hours of programming available on its NTSC channel, or (but only if Station does not simulcast at least fifty percent (50%) of its total hours of NTSC programming on one digital channel) the digital channel which delivers the highest average rating as determined by the A.C. Nielsen company for the 6:00 AM - 2:00 AM period within Station's DMA.

E. Except as set forth in the Agreement, Licensor reserves all rights not licensed in each Program hereunder, including, without limitation, the right to license the Program by means of basic cable, pay cable, pay-per-view, video-on-demand, near video-on-demand, subscription video-on-demand, superstation, electronic delivery via the Internet, home video, or by any other means now known or hereafter devised. Licensor may exploit such reserved rights as Licensor sees fit without restriction.

#### 2. LICENSE TERM AND BROADCAST WINDOW(S).

A. The License Term for each Program begins on the earlier of the date of first broadcast of the Program, or the start date stated in the Agreement. The License Term for each Program shall end on the earlier of the expiration of the License Term as specified in the Agreement or the date of its last licensed broadcast. Licensor may change the start of the License Term for any Program upon timely notice to Licensee.

B. Licensee shall not change the Broadcast Window(s) as set forth in the Agreement without Licensor's prior written consent. All time references in the Agreement are local time for Station.

#### 3. CONSIDERATION.

A. CASH: Where the Agreement includes monetary payments, Licensee shall pay the amounts specified for each Program whether or not all authorized broadcasts occur. Monthly payments are due on the first of each consecutive month beginning as stated in the Agreement, continuing uninterrupted until the total license fee is paid or the last authorized broadcast, whichever is earlier.

#### B. BARTER AND OTHER CONSIDERATION:

i. Where the Agreement includes commercial time, Licensee shall provide the commercial time specified for each Program whether or not the authorized broadcasts occur. If Licensee fails to provide any required commercial time, Licensee shall at Licensor's election either promptly provide Licensor with comparable substitute commercial time in accordance with Licensor's instructions or pay Licensor the national media value for such time as determined by Licensor. Licensor and Licensee shall each be entitled to retain all revenues derived from their respective commercial advertisement time. In addition to its commercial advertisement time, Licensor shall have the right to insert billboards, fee spots, product placement, and sponsor and closed-captioning announcements in each Program, in its sole discretion. Licensee shall broadcast the Program in the order designated by Licensor for broadcast during each week, it being understood that Licensor shall determine, in its sole discretion, the episodic sequence of such Program broadcast and the number of times each such Program shall be rebroadcast. Licensee shall broadcast each Program without deletion or change in the Program or in the commercials or other content furnished by Licensor, except that Licensee may add its commercial material in the commercial positions provided by Licensor. Licensee's commitment to broadcast the Program is a firm broadcast commitment and there shall be no "warehousing" (i.e., Licensee must broadcast the Program, including Licensor's commercial time and other announcements).

ii. Licensee shall only be permitted to preempt the broadcast of a Program due to an event of urgent importance or to broadcast a unique one-time special event. In the event of such an authorized preemption, the Program shall be rescheduled and broadcast during the current or the immediately following Monday through Sunday broadcast week within the applicable Broadcast Window or in another broadcast window pre-approved by Licensor, in its sole discretion and Licensee shall, at its own expense, insert Licensor's Barter Time and fee spots designated by Licensor for the then current broadcast day into the positions within the Program as designated by Licensor. Licensee shall comply with Licensor's requirements with respect to Barter Time and other announcements that must air

on or by a certain date. Licensee shall immediately notify Licensor of a preemption and of the reason therefor. Failure to comply with the above provisions shall constitute a default by Licensee and shall entitle Licensor to all of its rights and remedies hereunder.

C. **GENERAL:** Each payment must be made to Licensor free of any off-sets, claims, taxes or other charges. Any payment not made within thirty (30) days of its due date shall bear interest at the rate of one and one-half percent (1 1/2%) per month (or such lower maximum rate, if any, specified by controlling law). Acceptance of any payment after its due date shall not constitute a waiver by Licensor of any of its rights except as to such payment. Timely payment and/or provision of all commercial time is/are of the essence of this Agreement, and is an express condition precedent to Licensee's right to exercise any broadcasting rights in any Program.

#### 4. USAGE REPORTS AND AFFIDAVITS.

A. Where the Agreement includes License Fee(s) as the only form of remuneration payable from Licensee to Licensor, Licensee shall give Licensor notice in writing of the date on which Licensee intends to broadcast the Program by no later than thirty (30) days prior to the date of such scheduled broadcast.

B. Licensee shall, within thirty (30) days following each broadcast hereunder, furnish Licensor with an affidavit of performance which shall certify the date, time and place of each broadcast and any of Licensor's commercial and other announcements included in such broadcast. Affidavits shall be sent to: Director of Clearance Validation, 4000 Warner Boulevard, Building 118, Room 4004, Burbank, CA 91522. In the event of a preemption, Licensee shall immediately notify Licensor of the reason therefor and shall furnish to Licensor an affidavit certified as correct by an officer of Licensee that such preempted Program (listed by name) and Licensor's commercial inventory and all other announcements (listed by commercial ID number) contained therein were actually broadcast during the make good period as set forth in Paragraph 3B(ii) above and the respective date(s) and time(s) of any such broadcast(s). Licensee acknowledges that the receipt of said affidavits is essential in order for Licensor to collect from its advertisers the compensation due to Licensor by virtue of the sale of Licensor's commercial time in the Program. Therefore, any failure by Licensee to furnish said affidavits in a timely manner as set forth herein shall be deemed a material breach of the Agreement and shall entitle Licensor to exercise all of its rights and remedies set forth in the Agreement, including, without limitation, all of Licensor's rights and remedies at law and in equity.

#### 5. DELIVERY AND RETURN OF MATERIALS.

A. Licensor shall deliver materials for the Program ("Materials") as specified in the Agreement. If no Materials are specified, Licensor shall notify Licensee of the Materials to be delivered as well as the method of delivery promptly after Licensor receives notice from Licensee of a scheduled broadcast date. Where the Agreement includes License Fee(s) as the only form of remuneration payable from Licensee to Licensor, Licensor requires at least thirty (30) days notice of the scheduled broadcast date of any Program. If less than thirty (30) days notice is given, Licensor shall not be responsible for late delivery.

B. For any Program delivered on tape, Licensor shall make available said Program on a 1", 3/4" or Beta SP videotape format, or as otherwise specified in the Agreement. Licensor's delivery shall be complete when Licensor has either physically delivered the Program to Licensee or its agent, or has given the Program to Licensor's carrier f.o.b. its place of shipment. If Licensor delivers any Program and/or commercial reel via tape, Licensee shall pay the cost as determined by Licensor for each such tape, payable upon receipt of Licensor's invoice therefore. Licensee shall pay all costs of delivery, including shipping, handling and insurance.

C. For any booking Program ("Booking Program") obtained by Licensee for the purpose of dubbing onto Licensee's tape stock, (i.e., book and dub) Licensee shall pay the cost of shipping said Booking Program to it and, within three (3) days and at its own expense, return or transship said Booking Program to any address specified by Licensor. Additionally, any Booking Program must be returned in the same condition as it was received (allowing for normal wear and tear) or Licensee shall be held responsible for the cost to duplicate an identical Booking Program.

D. Licensee shall be responsible for the maintenance, storage, shipping, handling and insurance costs of any library Program ("Library Program") licensed by Licensee. Upon completion of contracted broadcasts or at the end of the License Term, whichever comes first, Licensee shall, at its option and expense, either return said Library Program to Licensor at an address specified by Licensor

or destroy said Library Program and immediately issue a certificate of destruction for each Library Program.

E. Licensee may not allow copying except to permit an authorized broadcast or part with the possession of any Program except for return shipment per the Agreement.

F. If delivery is by satellite, Licensor shall be responsible for all "uplinking" transmission costs, and Licensee shall be responsible for arranging to receive the satellite transmission and for all "downlinking" reception costs. Licensee's failure to make suitable "downlinking" arrangements, or failure to receive any Program due to technical "downlink" or reception failure shall not affect Licensee's obligations hereunder. Where the Program includes commercial time or other announcement time, Licensee shall destroy any tape of such Program immediately after the broadcast for which the satellite feed was intended, at its expense. For all other Programs, Licensee shall destroy any tape of such Program on the earlier of Licensor's last authorized broadcast or the end of the License Term, at its expense.

#### 6. EXAMINATION OF MATERIALS.

A. Licensee shall examine all Materials immediately after their receipt. If any Materials are unsuitable Licensee shall immediately notify Licensor who, at Licensor's option, shall furnish suitable replacements of the Program in question or grant a proportionate credit with respect to the portion of the License Fee allocable to the Program, it being acknowledged that Licensor shall have no other obligation or liability to Licensee whatsoever. A Program shall be deemed suitable unless notice of defect is given within three (3) business days following receipt. Licensor shall not be deemed to be in breach of the Agreement as a result of any defect or unsuitability of any Materials.

B. All materials which Licensee produces for the broadcast of any Program shall become the property of Licensor. Following the broadcast for which they were produced, Licensee shall, at its option and expense, either return said materials to Licensor at an address specified by Licensor or destroy such materials and immediately issue a certificate of destruction.

#### 7. RESTRICTIONS ON ALTERATIONS.

A. Licensee, at its own expense, may only insert commercials in the Program in the spaces designated by Licensor, and not in a manner which adversely affects a Program's artistic or pictorial quality. All commercials inserted by Licensee must be removed without damage before the Program is returned. A "cut in" fee may not be charged.

B. Except for inserting commercials, Licensee may not alter or serialize any Program. Licensee may not delete or alter the copyright notice, trademark notice or credits in any Program.

C. Licensee shall not alter any Material provided to Licensee by Licensor without Licensor's prior permission, including, but not limited to, print ads, radio, television or cable spots.

8. ADVERTISING AND BILLING. USE OF NAMES AND LIKENESSES. Licensor shall furnish Licensee such promotional and advertising Materials for use by Station as Licensor may have available and appropriate for use hereunder. Licensee shall use its best efforts to promote Licensee's broadcast of the Program. Licensee warrants and agrees that (i) it shall comply with Licensor's advertising and billing requirements and Licensor's limitations on the use of the names and likenesses of the actors and characters for each Program, as notified; (ii) none of its advertising or billing shall infringe on the rights of others or constitute an express or implied endorsement of any product, service or sponsor, other than the Program itself; (iii) it shall not advertise any title changed by Licensor or Program withdrawn by Licensor; (iv) Licensee, its sponsors and advertisers shall abide by and comply with the screen billing in the same form as it appears in the Program, that is, all advertising shall give cast and other credits in the same manner, position and relative size and prominence of type as those credits appear in the main title of the respective Program; (v) it shall not create, develop, extract or excerpt from the Program to advertise and promote the Program; (vi) it shall comply with all Collective Bargaining Agreements concerning advertising and promotion requirements with respect to any Program; (vii) no authorized excerpt from any Program may exceed two (2) minutes in length; (viii) it shall not promote the Program via the Internet without Licensor's approval; and (ix) it shall indemnify Licensor against all costs, damages, and expenses, including but not limited to reasonable attorneys' fees incurred by or caused to Licensor

by reason of any actual or alleged breach by Licensee of the provisions of this paragraph.

9. **MUSIC.** Licensor represents that, to the best of its knowledge, the non-dramatic television performing rights in the music embodied in each Program: (a) are controlled by BMI, ASCAP, SESAC, or other performing rights society having authority over Licensee's broadcast of the Program; (b) are in the public domain; or (c) are controlled by Licensor to the extent necessary to permit Licensee's broadcast of each Program. Upon request Licensor shall furnish Licensee with available music cue sheets for any Program. With regard to music in category (a), Licensee shall at its own expense obtain any licenses required to broadcast or perform any such music.

#### 10. **TAXES, ROYALTIES AND FEES.**

A. Licensee shall pay all taxes (including without limitation sales, use, VAT and remittance), duties, and any other charges, including interest and penalties, now or later imposed on or resulting from the license, rental, delivery, broadcast, possession or use by Station of any Program. To the extent that any such taxes, duties and any other charges (or penalties or interest thereon) are paid by Licensor, Licensee shall reimburse Licensor therefor on demand.

B. **ROYALTIES AND FEES:** Any royalties or fees which may be paid to or received by Licensee by virtue of any statute, governmental regulation, by operation of law or in any other manner on account of private recording or amplification, retransmission, or relaying of the Program on any station, translator, repeater, satellite, cable television system, relay broadcasts, network simultaneous transmission or otherwise shall belong to Licensor, and if received by Licensee, shall be held by Licensee as agent and/or trustee for Licensor and shall be promptly paid over to Licensor. In addition, Licensee hereby assigns to Licensor for the Program licensed hereunder all of Licensee's right and interest to any royalty payments to which Licensee may be entitled pursuant to Section 111(d) of the Copyright Revision Act of 1976 ("Copyright Act"), or similar legislation that may hereafter be enacted, and Licensor may, for Licensor's own interests and the interests of Licensee, make whatever application is necessary to petition for such royalty payments. Licensee agrees to do all such acts and execute all such documents as Licensor may hereafter require in order to comply with the requirements of the Copyright Act, and Licensee hereby appoints Licensor as Licensee's attorney-in-fact and duly authorized agent to do all such acts and execute all such documents on its behalf if Licensee shall fail to do so within one month of any request. Licensee acknowledges that the foregoing power-of-attorney is deemed coupled with an interest.

#### 11. **SUSPENSION AND WITHDRAWAL.**

A. Licensor may, in its sole discretion, either suspend delivery or broadcast of any Program temporarily or withdraw any Program permanently if Licensor determines that the broadcasting thereof would or might: (i) infringe the rights of others; (ii) violate any law, court order, government regulation or other ruling of any governmental agency; or (iii) subject Licensor to any liability or litigation. Furthermore, Licensor may withdraw any Program (i) if Licensor determines that the rights to the literary, dramatic or musical material upon which said Program is based have expired or may expire during its License Term; (ii) if Licensor determines that Licensor's materials are unsuitable for making broadcast quality prints, tapes, cassettes or discs; or (iii) due to Force Majeure (as defined below).

B. Licensee shall not be entitled to claim damages for any suspension. If any suspension lasts for more than six (6) consecutive months, either party may terminate this Agreement with respect to the suspended Program on ten (10) days notice. If not so terminated then the License Term for the suspended Program may, in Licensor's sole discretion, be extended for the length of each suspension, but not beyond the expiration of Licensor's right to license the suspended Program to Licensee.

C. If any Program is withdrawn or this Agreement is terminated with respect to any Program after a suspension period, then Licensee shall be entitled, at Licensor's election, to: (i) a substitute Program of comparable quality to the withdrawn Program; or (ii) receive an equitable proportion as allocated by Licensor of any amounts paid. Licensee's sole remedy shall be one of the remedies set forth in this subparagraph, except as provided in Paragraph 12.

D. "Force Majeure" means any fire, flood, earthquake, or public disaster; strike or labor dispute; unavailability of any major talent committed to the Program; unavoidable accident; breakdown of electrical or sound equipment; failure to timely perform by any laboratory or supplier; delay or lack of transportation; embargo, riot, war (whether or not declared), insurrection or civil

unrest; any Act of God; any act of any legally constituted authority; or any other cause beyond the reasonable control of Licensor.

12. **TERMINATION OF PRODUCTION.** If production or delivery of the Program is terminated for any reason during the License Term, Licensor upon ten (10) days notice to Licensee may cancel this Agreement without further liability to Licensor. License fees shall be prorated to the effective date of termination. Licensee's barter obligation, if any, shall continue until the effective date of termination.

13. **EARLY TERMINATION.** Where the Agreement includes License Fee(s) as the only form of remuneration payable from Licensee to Licensor, at such time as the number of remaining unplayed telecasts equals twenty percent (20%) or less of the total number of telecasts licensed hereunder or at such time as eighteen (18) months or less remain of the License Term, Licensor may terminate the Agreement on thirty (30) days notice. In such event Licensor shall pay to Licensee (or credit Licensee's account with Licensor if such account is in arrears) an amount equal to the proportionate percentage of the unplayed telecasts to the total License Fee as allocated by Licensor.

#### 14. **DEFAULT.**

A. Licensee shall be deemed in default if: (i) Licensee fails to pay its debts when due; (ii) Licensee seeks relief under any bankruptcy law or similar provision for the protection of debtors; (iii) Licensee fails to make any payment in accordance with the terms of this Agreement and such failure continues for a period of ten (10) days; (iv) Licensee is in breach of or breaches any provision of this Agreement or any other agreement between Licensee and Licensor or any affiliate of Licensor; (v) Licensee attempts to make any assignment, transfer or sublicense of this Agreement without Licensor's consent as provided in Paragraph 20A; (vi) Licensee and/or Station ceases or suspends operations; or (vii) Licensee loses control of, whether voluntarily or otherwise, the Station, its interest therein, or its license to operate the Station.

B. In the event of a default by Licensee, Licensor may terminate this Agreement or any other agreement between Licensee and Licensor or any affiliate of Licensor and/or proceed against Licensee for legal and equitable relief and/or may suspend delivery of the Program and declare the License Fee (and any additional sums payable under the Agreement) immediately due and payable to Licensor regardless of the due date thereof. Upon Licensee's receipt of notice of default, Licensee shall return all Materials in Licensee's possession or under Licensee's control to Licensor immediately.

C. Default by Licensor is limited to the particular Program to which the default applies. No default by Licensor as to one Program shall be a default as to any other Program. Licensee shall promptly give Licensor written notice of any claimed default and Licensor shall have twenty (20) days after its receipt of such notice to commence and diligently pursue cure of such default. Only if Licensor fails to do so, may Licensee proceed against Licensor for available relief; provided that Licensee's sole remedy for breach of any provision of this Agreement shall be an action at law for damages, it being agreed that in no event shall Licensee be entitled to injunctive or other equitable relief.

15. **INSOLVENCY.** The parties hereby agree and intend that this Agreement is an executory contract governed by Section 365 of the U.S. Bankruptcy Code ("Bankruptcy Code"). In the event of Licensee's bankruptcy, the parties intend that any royalties payable under this Agreement during the bankruptcy period be deemed administrative claims under the Bankruptcy Code because the parties recognize and agree that the bankruptcy estate's enjoyment of this Agreement will (i) provide a material benefit to the bankruptcy estate during its reorganization and (ii) deny Licensor the benefit of the exploitation of the rights through alternate means during the bankruptcy reorganization. The parties acknowledge and agree that any delay in the decision of the trustee of the bankruptcy estate to assume or reject the Agreement (the "Decision Period") materially harms Licensor by interfering with Licensor's ability to alternatively exploit the rights granted under this Agreement during a Decision Period of uncertain duration. The parties recognize that arranging appropriate alternative exploitation would be a time consuming and expensive process and that it is unreasonable for Licensor to endure a Decision Period of extended uncertainty. Therefore, the parties agree that the Decision Period shall not exceed sixty (60) days. Licensor, in its interest to safeguard its valuable interests (including, without limitation, its intellectual property rights in the licensed property), has relied on the particular skill and knowledge base of Licensee. Therefore, the parties acknowledge and agree that in a bankruptcy context this Agreement is a

license of the type described by Section 365(c)(1) of the Bankruptcy Code and may not be assigned without the prior written consent of the Licensor.

16. **LICENSOR'S WARRANTIES.** Licensor represents and warrants that:

A. Except with respect to any material added by Licensee and except with respect to music which is specifically provided for herein, it has authority to license rights specified in this Agreement.

B. No exercise of rights granted to Licensee in any Program shall: (i) infringe any third party's copyright, trademark or other property right; or (ii) defame or violate any right of privacy or infringe any personal right of any third party.

C. Licensor shall advise Licensee of information, of which it has actual knowledge, concerning any matter included in the Program for which any money, service or other valuable consideration was paid, or accepted. This shall not include services or property furnished without charge, or at a nominal charge, for use on a Program unless it is furnished in consideration for an identification in the Program of any person, product, services, trademark, or brand name beyond an identification which is reasonably related to the use of the service or property in such Program.

17. **INDEMNITIES.**

A. Licensor shall indemnify and hold harmless Licensee (including its officers, directors, employees and agents) against any damages awarded in any final judgment entered against Licensee (other than for loss of profits or consequential damages sustained by Licensee) or settlement approved by Licensor, due to Licensor's breach of any of its representations or warranties, provided, however, prompt detailed written notice of claim of such breach or warranty is given by Licensee to Licensor. Licensor shall have full control over the defense and/or settlement of any claim or litigation including the right to engage its own counsel. Licensee shall cooperate fully with Licensor in the defense or settlement of any such claim or litigation.

B. Licensee shall indemnify and hold harmless Licensor (including its officers, directors, employees and agents) against all claims and expenses (including reasonable attorneys' fees) and liabilities arising from or as the result of (i) Licensee's failure to abide by any restriction on the exercise of any rights granted; (ii) any breach of any of Licensee's obligations, representations or warranties set out in this Agreement; or (iii) the broadcasting of any material in connection with or relating to the Program other than material contained in the Program as delivered by Licensor.

18. **INABILITY TO BROADCAST.** If, without Licensee's fault, Licensee is unable to broadcast the Program for thirty (30) or more continuous days by reason of any Act of God, governmental action, war (whether or not declared), flood, fire or public emergency, then Licensor may, in its sole discretion, extend the License Term with respect to any affected Program for the duration of any such period but not beyond the expiration of Licensor's right to license the Program to Licensee. This extension shall not increase Licensee's time to make payments. Licensor may suspend the delivery of Materials during any extension. If Licensee's inability to broadcast continues for more than six (6) months, then Licensor may terminate this Agreement and give Licensee an equitable adjustment of the total License Fee applicable to the Program not broadcast as allocated by Licensor.

19. **EXCLUSIVITY.** Licensor agrees that during the License Term it shall not license any Program:

(i) For English language broadcast by any other television station located in a community located less than thirty-five (35) miles away from the Station's respective reference point, as determined pursuant to the rules and regulations of the F.C.C. as of the date of this Agreement (see 47 CFR Section 76.53), provided that such exclusivity shall not preclude network broadcasts of the Program during the License Term; or

(ii) For local origination cablecasting by any cable television system operating within the "specified zone" of the Station's designated community in its Market as defined in the rules and regulations of the F.C.C. as of the date of the Agreement (see 47 CFR Section 76.5(e)).

20. **ASSIGNMENT.**

A. This Agreement is personal to Licensee. Licensee may not assign or transfer this Agreement, or sublicense or use an agent to exploit any of the rights granted to Licensee, whether voluntarily or involuntarily, without Licensor's prior written consent. An assignment or transfer of a controlling interest in Licensee's

capital stock or other evidence of ownership shall require Licensor's consent. If Licensor does consent then this Agreement shall be binding on such authorized assignee, transferee, sublicensee or agent but shall not release Licensee of any of its obligations under this Agreement. Nothing in this paragraph shall release Licensee or its successors in interest from fulfilling Licensee's obligations hereunder.

B. Licensor may assign, transfer or sublicense any of its rights under this Agreement, but no such assignment, transfer or sublicense relieves Licensor of its obligations.

21. **DISPUTE RESOLUTION.**

A. Any and all controversies, claims or disputes arising out of or related to this Agreement or the interpretation, performance or breach thereof, including, but not limited to, alleged violations of state or federal statutory or common law rights or duties, and the determination of the scope or applicability of this agreement to arbitrate ("Dispute"), except as set forth in subparagraphs C and D, below, shall be resolved according to the procedures set forth in subparagraph B, below, which shall constitute the sole dispute resolution mechanism hereunder:

B. **ARBITRATION:** In the event that the parties are unable to resolve any Dispute informally, then such Dispute shall be submitted to final and binding arbitration. The arbitration shall be initiated and conducted according to either the JAMS Streamlined (for claims under \$250,000) or the JAMS Comprehensive (for claims over \$250,000) Arbitration Rules and Procedures, except as modified herein, including the Optional Appeal Procedure, at the Los Angeles office of JAMS, or its successor ("JAMS") in effect at the time the request for arbitration is made (the "Arbitration Rules"). The arbitration shall be conducted in Los Angeles County before a single neutral arbitrator appointed in accordance with the Arbitration Rules. The arbitrator shall follow California law and the Federal Rules of Evidence in adjudicating the Dispute. The parties waive the right to seek punitive damages and the arbitrator shall have no authority to award such damages. The arbitrator shall provide a detailed written statement of decision, which shall be part of the arbitration award and admissible in any judicial proceeding to confirm, correct or vacate the award. Unless the parties agree otherwise, the neutral arbitrator and the members of any appeal panel shall be former or retired judges or justices of any California state or federal court with experience in matters involving the entertainment industry. If either party refuses to perform any or all of its obligations under the final arbitration award (following appeal, if applicable) within thirty (30) days of such award being rendered, then the other party may enforce the final award in any court of competent jurisdiction in Los Angeles County. The party seeking enforcement shall be entitled to an award of all costs, fees and expenses, including attorneys' fees, incurred in enforcing the award, to be paid by the party against whom enforcement is ordered.

C. **INJUNCTIVE RELIEF:** Notwithstanding the foregoing, either party shall be entitled to seek injunctive relief (unless otherwise precluded by any other provision of this Agreement) in the state and federal courts of Los Angeles County.

D. **OTHER MATTERS:** Any Dispute or portion thereof, or any claim for a particular form of relief (not otherwise precluded by any other provision of this Agreement), that may not be arbitrated pursuant to applicable state or federal law may be heard only in a court of competent jurisdiction in Los Angeles County.

22. **AUDIT.**

A. Licensee shall keep full and accurate books and accounts with respect to the Program and Licensor shall have the right to audit and inspect said records at reasonable business hours, or to designate a representative to audit and inspect said records on Licensor's behalf. Licensee agrees that books and accounts are deemed to include all media where information is stored, including electronic media such as computer diskettes, magnetic tape, optical storage methods or any and all other formats necessary to analyze all data Licensor or Licensor's representative find necessary to analyze, review or inspect. Licensor shall have the absolute right to make copies of all data or information, regardless of what medium that data or information may be stored upon. In the event that such examination by Licensor reveals any under-reporting or misrepresentation by Licensee of any item bearing upon the computation of the amounts payable to Licensor hereunder, Licensee agrees that in addition to recomputing and making immediate payment of the amounts due based on actual and true items together with interest thereon at the rate of two percent (2%) plus the prime rate of interest charged by and computed

on borrowings from Bank of America or the maximum rate permitted by law, whichever is least, (i) Licensee shall, in addition, pay all costs and expenses incurred by Licensor in connection with such audit including any and all attorneys' fees incurred by Licensor in connection with the enforcement and collection of such under-reported or misrepresented amounts, and (ii) notwithstanding anything to the contrary contained herein, Licensor shall have the further right to audit Licensee's books and records retroactively to the commencement of the Agreement. In the event Licensor decides to exercise this right and conduct an audit and/or an inspection of Licensee's business records, Licensor shall give Licensee at least ten (10) days advance written notice, with said audits limited to one time per calendar year. Licensee agrees that, at Licensor's own discretion, said audit and/or inspection shall be conducted by a nationally recognized firm of certified public accountants and/or by Licensor's own corporate audit department.

B. Licensee shall retain the books, accounts and records with respect to each Program or statement received by Licensor in connection therewith for three (3) years after such Program has been accounted for or such statement has been rendered unless a suit is commenced. However, nothing shall limit Licensor's rights at law in the event that Licensee shall have concealed information from or provided false information to Licensor or its auditors.

### 23. MISCELLANEOUS PROVISIONS.

A. In conflicts between any term of this Agreement and any material law, ordinance, rule or regulation, the latter shall prevail.

B. By entering into this Agreement with Licensee, Licensor does not waive any other breach or default by Licensee in connection with any other agreement. No waiver of any breach in this or any other agreement shall be a waiver of any other breach of the same or any other provision. No waiver is effective unless in writing.

C. All remedies are cumulative, and resort to one shall not preclude resort to any other at any time.

D. All notices shall be in writing and sent to the parties at addresses set forth in the Agreement or otherwise specified by the parties with notice to Licensor addressed to the attention of: Vice President, Contract Administration.

E. This Agreement contains the entire understanding of the parties regarding its subject matter and supersedes all previous written or oral understandings or representations between the parties if any.

F. This Agreement shall be construed under and governed (1) by the internal laws of the State of California applicable to contracts entered into therein without giving effect to its conflicts of the law provisions and (2) by the laws of the United States of America to the extent that those laws preempt California State law. Licensee's sole remedy for breach of any provision of this Agreement shall be an action at law for damages, it being agreed that in no event shall Licensee be entitled to injunctive or other equitable relief.

G. At no time in the past, present or future shall the relationship between Licensor and Licensee be deemed or intended to constitute an agency, partnership, joint venture, or a collaboration for the purpose of sharing any profits or ownership in common. Except as set forth in paragraph 10.B., neither party shall have the right, power, or authority at any time to act on behalf of or to represent the other party, but each party hereto shall be separately and entirely liable for its own debts in all aspects.

H. The headings of the paragraphs of this Agreement are for convenience only and shall not in any way affect the interpretation of any provision of this Agreement.

In order for any amendment or modification to this Agreement to be binding upon Licensor, it must be in writing and signed by both parties.



SYNDICATION LICENSE AGREEMENT  
FRIENDS (2<sup>nd</sup> Cycle)

Contract No.: S2 00013

Date: April 19, 2001

This Agreement is entered into between Bay City TV, Inc., licensee of television station XETV, with an address of 8253 Ronson Road, San Diego, CA 92111 ("Station"), and Warner Bros. Domestic Television Distribution, a division of Time Warner Entertainment Company, L.P., with an address of 4000 Warner Boulevard, Triangle Building, Burbank, California 91522 ("Warner").

Warner hereby agrees to license to Station the Free TV (as defined in paragraph 1.B of Exhibit "A") syndication rights in and to certain episodes ("Episodes") of the television series currently entitled "FRIENDS" ("Series"), in the San Diego, CA market upon the following terms and conditions:

- A. **Licensed Episodes:** All Episodes of the Series produced for network television.
- B. **License Term:**
1. **Initial Term:** Six (6) consecutive years (312 weeks) ("Initial Term"), starting on the day immediately following the end of the first syndication cycle of the Series (i.e., starting on December 13, 2004 if only eight (8) network seasons are produced) ("Start Date"). The Start Date will be delayed by thirty-nine (39) weeks for each additional network season after the eighth network season. However, if only seven (7) network seasons are produced the Start Date will be March 15, 2004; PLUS
  2. **Extended Term:** For each broadcast season after and excluding the eighth broadcast season (2001/'02) in which any Episode(s) of the Series shall be initially produced for network television and licensed hereunder ("Additional Episodes"), an additional thirty-nine (39) consecutive weeks shall be added to the Initial Term ("Extended Term").
- C. **Time Period:**
1. During the Initial Term and the Extended Term, if any, Station shall broadcast the Episodes at the rate of two (2) broadcasts per day, five (5) days per week, Monday through Friday, during a regularly scheduled time period commencing no earlier than 4:00 PM and ending no later than 8:00 PM or commencing no earlier than 11:00 PM and ending no later than 12:00 AM. In addition, during the License Term, Station shall broadcast two additional Episodes each weekend (formatted as an hour - "Weekend Hour"), on Saturday or Sunday, during a regularly scheduled time period commencing no earlier than 12:00 PM and ending no later than 12:00 AM.
  2. **Additional Runs:** During the License Term, Station may elect to license additional runs of the Episodes (i.e., a second daily Monday through Friday telecast) ("Additional Runs") of not less than fifty-two (52) consecutive weeks per year (commencing September and ending in September of the following year) for an additional weekly license fee of fifty percent (50%) of the weekly

license fee set forth in Paragraph D below ("Additional Runs Weekly Fee"). Such Additional Runs shall be subject to availability as determined by Warner and shall be broadcast at the rate of one (1) broadcast per day, five (5) days per week, Monday through Friday, during a regularly scheduled time period commencing no earlier than 4:00 PM and ending no later than 8:00 PM or commencing no earlier than 11:00 PM and ending no later than 12:00 AM and will contain one and one-half (1½) minutes per telecast of Warner's commercial announcements.

3. Station shall give Warner two weeks prior written notice if Station elects to move the Episodes within the licensed time period set forth above.

D. **License Fee:** As used herein, the term "Initial Term License Fee" shall mean the weekly license fee applicable to the Initial Term multiplied by 312 weeks; and the term "Extended Term License Fee" shall mean the weekly license fee applicable to the Extended Term multiplied by the total number of weeks comprising the Extended Term.

1. Station shall pay \$13,500.00 per week during the Initial Term and the Extended Term, if any, as follows:
2. The Initial Term License Fee in seventy-two (72) equal consecutive monthly installments commencing on the Start Date.
3. The Extended Term License Fee in nine (9) equal consecutive monthly installments for each thirty-nine (39) week period of the Extended Term following completion of the installments for the Initial Term License Fee.
4. The total Additional Runs Weekly Fee, if any, shall be payable in twelve (12) equal consecutive monthly installments for each period of fifty-two (52) consecutive weeks of Additional Runs licensed commencing on the start date of the applicable broadcast season.

E. **Barter Provisions:**

1. Each Monday through Friday half-hour Episode (including Additional Runs, if any) shall be furnished with one and one-half (1½) minutes of commercials inserted by or under the authority of Warner and Station shall retain the remaining five and one-half (5½) minutes of announcement time for its own use. Each Weekend Hour shall be furnished with seven and one-half (7½) minutes of commercials inserted by or under the authority of Warner and Station shall retain the remaining seven (7) minutes of announcement time for its own use. Nothing in this Agreement shall be construed to limit Warner's right to insert billboards, fee spots and/or closed-captioning sponsor announcements in each Episode, in addition to the above-mentioned commercial time, and Warner specifically reserves such right.
2. Station shall broadcast the given Episode(s) designated by Warner for broadcast during each week, it being understood that Warner shall determine, in its sole discretion, the sequence of such Episodes broadcast and the number of times each such Episode shall be rebroadcast. Station shall broadcast each Episode without deletion or change in the Episode or in the commercials furnished by Warner, except that Station may add its commercial material in the commercial positions provided by Warner.
3. The broadcast by Station of Warner's commercial announcements and the broadcast by Station of each Episode as designated by Warner

will be a material part of the consideration for this Agreement and, except as provided in subparagraph 5 below, any failure by Station to broadcast a given Episode or the commercial announcements as provided by Warner will constitute default. Warner and Station shall each be entitled to retain all revenues derived from their respective commercials.

4. The commercial time to which Warner is entitled as to each given Episode is referred to herein as "Barter Time". Within thirty (30) days after the close of each calendar month during which the Barter Time is to be run and for one (1) month thereafter, Station shall supply Warner an affidavit certified as correct by an officer of Station, confirming that each Episode (listed by name) and the Barter Time therein (listed by commercial ID number) were actually broadcast as required herein during such calendar month period and the respective date(s) of such broadcast(s). While Warner recognizes Station's responsibility as a broadcast licensee to schedule its programming and to determine the content of its programming and advertising matter, Station's broadcast agreement is of the essence of this Agreement and failure by Station to meet its broadcast agreement shall entitle Warner to exercise its rights and remedies, including without limitation those pursuant to Paragraph 13 of the Standard Terms and Conditions.
  5. If Station is prevented from making any broadcast hereunder due to a preemption or an event of force majeure affecting Station or Warner, or if, for any other reason, Station fails to make a broadcast of an Episode as designated by Warner, Station shall comply with the provisions in this subparagraph 5. Failure to make good any preempted or prevented broadcast shall be deemed to be a material default by Station unless (a) Station shall notify Warner, in writing of such failure on or before forty-eight (48) hours thereafter and of the reason therefor, and (b) on or before the end of the same broadcast week in which such broadcast was preempted or prevented ("Make Good Period"), Station shall make good such preempted or prevented broadcast by broadcasting such preempted or prevented Licensed Episode in its entirety in a comparable or better time period or including the commercial inventory of Warner contained in such preempted or prevented Episode in regularly scheduled broadcast(s) of Episode(s) during the Make Good Period and (c) on or before thirty (30) days after the close of such Make Good Period, Station shall furnish to Warner an affidavit certified as correct by an officer of Station that such Licensed Episode (listed by name) and/or commercial inventory (listed by commercial ID number) of Warner contained therein, as the case may be, were actually broadcast during the Make Good Period and the respective date(s) of any such broadcast(s).
- F. **Materials:** Warner will deliver the Episodes of the Series to Station via satellite with the Barter Time integrated. If Station requests any Episode and/or commercial reel via videotape, Station will pay \$30.00 for each such half-hour videotape and \$55.00 for each one-hour videotape, payable upon receipt of Warner's invoice therefor. All costs of delivery, including shipping, handling and insurance, will be paid by Station.
- G. **Syndicated Exclusivity:** Station shall be entitled to exercise syndicated program exclusivity rights in accordance with the provisions of paragraph 18 of Exhibit "A" hereof. Exhibit "B" is attached to and forms a part of

this Agreement for Station's use in exercising such syndicated program exclusivity rights.

- H. **Terms and Conditions:** The Standard Terms and Conditions for the licensing of the Series are attached hereto as Exhibit "A" and incorporated herein by reference; however, in the event of any inconsistencies, the terms of this Agreement shall control.

In confirmation of the foregoing the parties affix their signatures below:

AGREED TO AND ACCEPTED:


Bay City TV, Inc.

(Station)

By: 

Its: VP + gm

WARNER BROS. DOMESTIC TELEVISION  
DISTRIBUTION, a division of Time  
Warner Entertainment Company, L.P.

By:   
Michael Troxler  
Its: VP, Finance

## EXHIBIT "A"

### STANDARD TERMS AND CONDITIONS – FRIENDS (2<sup>nd</sup> Cycle)

#### 1. TELECASTING RIGHTS.

A. Episodes may only be telecast: (i) on Free TV up to the number of times specified in the Syndication License Agreement to which these Standard Terms and Conditions are attached ("Agreement") to non-paying audiences; (ii) if the Station ("Station") is a UHF or VHF broadcast, low power, or translator television station, then only from the existing originating television transmitter of the Station specified in the Agreement; and (iii) if the Station is a local cable television system, then only to the individual subscribers of the system located within the Market described in the Agreement.

B. "Free TV" means over-the-air VHF or UHF broadcast, or cable television transmission, causing program reception on a home television receiver or like device free of charge to the viewer. Neither governmental television receiver assessments or taxes, nor periodic service charges made by cable systems (other than a charge for pay television service) will be considered a viewer charge.

C. Station may not authorize any telecast to be amplified, retransmitted or relayed by any translator or booster station, satellite, community antenna system, cable television system, or any other method not expressly authorized in this Agreement.

D. Warner reserves all rights in each Episode not licensed hereunder. Warner may exploit such reserved rights as Warner sees fit without restriction.

2. TERM. The License Term for each Episode begins on the earlier of the date of its first telecast of the Episode, or the Start Date stated in the Agreement. The License Term for each Episode will end on the earlier of the expiration of the License Term as specified in the Agreement or the date of its last licensed telecast.

#### 3. COMPENSATION TERMS.

A. CASH: Where the Agreement includes monetary payments, Station will pay the amounts specified for each Episode whether or not all authorized telecasts occur. Monthly payments are due on the first of each consecutive month beginning as stated in the Agreement, continuing uninterrupted until the total license fee is paid or the last authorized telecast, whichever is earlier.

B. BARTER: Where the Agreement includes commercial time, Station will provide the commercial time specified for each Episode whether or not the authorized telecasts occur. If Station fails to provide any required commercial time, Station will at Warner's election either promptly provide Warner with comparable substitute commercial time or pay Warner a fair dollar value for such time.

C. GENERAL: Each payment must be made to Warner free of any off-sets, claims, taxes or other charges. Any payment not made within 30 days of its due date will bear interest at the rate of one and one-half percent (1 1/2%) per month (or such lower maximum rate, if any, specified by controlling law). Timely payment or provision of all commercial time is of the essence of this Agreement, and is an express condition precedent to Station's right to exercise any telecasting rights in any Episode.

4. USAGE REPORTS. Station will notify Warner within ten days after the end of each month regarding the title and dates of telecast of each Episode telecast during the preceding month. Station will furnish Warner with an affidavit of performance with respect to telecast of any of Warner's commercial announcements.

#### 5. DELIVERY AND RETURN OF MATERIALS.

A. Warner will deliver materials for the Episodes as specified in the Agreement. If no materials are specified, Warner will notify Station of the materials to be delivered as well as the method of delivery promptly after Warner receives notice from Station of a scheduled telecast date. Warner requires at least thirty days notice of the scheduled telecast date of any Episode. If less than 30 days notice is given, Warner will not be responsible for late delivery.

B. For any Episode delivered on tape, Warner will make available said Episodes on a 1/2" or 3/4" videotape format as specified in the Agreement. Warner's delivery will be complete when Warner has either physically delivered the Episode to Station or its agent, or as given the Episode to Warner's carrier f.o.b. its place of shipment.

C. For any Booking Episode obtained by Station for the purpose of dubbing onto Station's tape stock, (i.e., book and dub) Station will pay the cost of shipping said Booking Episode to it and, within 3 days and at its own expense, return or transship said Booking Episode to any address specified by Warner. Additionally, any Booking Episode must be returned in the same condition as it was received (allowing for normal wear and tear) or Station shall be held responsible for the cost to duplicate an identical Booking Episode.

D. Station will be responsible for the maintenance, storage and shipping including shipping costs of any Library Episode purchased by Station. Upon completion of contracted telecasts or at the end of the License Term, whichever comes first, Station will, at its option and expense, either return said Library Episode to Warner at an address specified by Warner or provide Warner with a Certificate of Destruction for each Library Episode in said Library.

E. Station may not allow copying except to permit an authorized telecast or part with the possession of any Episode except for return shipment per the Agreement.

#### 6. MATERIALS.

A. Station will examine all materials immediately after their receipt. If any are unsuitable Station will immediately notify Warner who will then furnish suitable replacements. An Episode will be deemed suitable unless notice of defect is given within three business days following receipt.

B. All materials which Station produces for the telecast of any Episode will become the property of Warner. At the end of the License Term Station will ship them to the location designated by Warner.

#### 7. RESTRICTIONS ON ALTERATIONS.

A. Station, at its own expense, may insert commercials in the Episode(s) but not in a manner which adversely affects an Episode's artistic or pictorial quality. All commercials inserted by Station must be removed without damage before the Episode is returned. A "cut in" fee may not be charged.

B. Except for inserting commercials, Station may not alter or serialize any Episode. Station may not delete or alter the copyright notice, trademark notice or credits in any Episode. Where Warner has provided commercial time, Station will telecast each Episode with commercial(s) provided by Warner.

C. Station will not alter any material provided to Station by Warner without Warner's prior permission, including, but not limited to, print ads, radio, television or cable spots. Nothing in the Agreement shall be construed to limit Warner's right to insert billboards, fee spots, and closed-captioning sponsor announcements in the Episode(s), in addition to commercial time set forth in any barter provisions of the Agreement, and Warner specifically reserves such right.

8. ADVERTISING AND BILLING. USE OF NAMES AND LIKENESSES. Station will comply with Warner's advertising and billing requirements and Warner's limitations on the use of the names and likenesses of the actors and characters for each Episode, as notified. None of Station's advertising or billing will: (i) infringe on the rights of others; or (ii) constitute an endorsement of any product, service or sponsor, other than the Episode itself. Station will not advertise any Episode withdrawn by Warner. No authorized excerpt from any Episode may exceed 3 minutes or 7500 feet in length.

9. MUSIC. Warner represents that the non-dramatic television performing rights in the music embodied in each Episode: (a) are controlled by BMI, ASCAP, SESAC, or other performing rights society having authority over Station's telecast of the Episode; (b) are in the public domain; or (c) are controlled by Warner to the extent necessary to permit Station's telecast of each Episode. Upon request Warner will furnish Station with available music cue sheets for any Episode. With regard to music in category (a), Station will at its own expense obtain any licenses required to telecast or perform any such music.

10. TAXES. Station will pay all taxes (including without limitation sales, use, VAT and remittance), duties, and any other charges, including interest and penalties, now or later imposed on or resulting from the license, rental, delivery, telecast, possession or use by Station of any Episode.

#### 11. SUSPENSION AND WITHDRAWAL.

A. Warner may either suspend delivery or telecast of any Episode or withdraw any Episode: (a) if Warner determines that its telecast might infringe the rights of others, violate any law, or subject Warner to any liabilities; (b) if Warner determines that its materials are unsuitable for making telecast quality prints, tapes, cassettes or discs; (c) due to Force Majeure.

B. Station will not be entitled to claim damages for any suspension. If any suspension lasts for more than six consecutive months, either party may terminate this Agreement with respect to the suspended Episode on 10 days' notice. The License Term for the suspended Episode will be extended for the length of each suspension.

C. If any Episode is withdrawn or this Agreement is terminated with respect to an Episode after a suspension period, then Warner shall return an equitable proportion of any amounts paid. Station's sole remedy will be to receive such refund except as provided in Paragraph 12.

D. "Force Majeure" means any fire, flood, earthquake, or public disaster; strike or labor dispute; unavailability of any major talent committed to the Episode; unavoidable accident; breakdown of electrical or sound equipment; failure to timely perform by any laboratory or supplier; delay or lack of transportation; embargo, riot, war, insurrection or civil unrest; any Act of God; any act of any legally constituted authority; or any other cause beyond the reasonable control of Warner.

12. TERMINATION OF PRODUCTION. If production or delivery of the Episodes is terminated for any reason during the License Term, Warner upon ten (10) days notice to Station may cancel this Agreement without further liability to Warner. License fees shall be prorated to the effective date of termination; Station's barter obligation, if any, will continue until the effective date of termination.

### 13. DEFAULT.

A. Station will default if: (i) Station fails to pay its debts when due; (ii) Station seeks relief under any bankruptcy law or similar provision for the protection of debtors; (iii) Station fails to make any payment in accordance with the terms of this Agreement and such failure continues for a period of ten (10) days; (iv) Station breaches any provision of this Agreement or any other agreement between Station and Warner or any affiliate of Warner; (v) Station attempts to make any assignment, transfer or sublicense of this Agreement without Warner's consent as provided in Paragraph 19A; or (vi) Station ceases or suspends operations.

B. In the event of a default by Station, Warner may terminate this Agreement and/or proceed against Station for legal and equitable relief and/or may suspend delivery of episodes and declare the License Fee (and any additional sums payable under the Agreement) immediately due and payable to Warner regardless of the due date thereof.

C. Default by Warner is limited to the particular Episode to which the default applies. A default as to one Episode will be a default as to any other Episodes. Station will promptly give Warner written notice of any claimed default and Warner will have 20 days after its receipt to commence and diligently pursue cure of such default. Only if Warner fails to do so, may Station proceed against Warner for available relief.

14. STATION INSOLVENCY. If Station files any petition for voluntary relief under any chapter of the Bankruptcy Code ("Code"), or has filed against it any petition for voluntary relief, then Warner may declare Station in default. If Warner is prevented from exercising any of its rights or remedies without first obtaining leave of the bankruptcy court, then Station will, within 30 days of the filing of the petition, arrange for the filing of a motion to affirm or reject this Agreement and will perform all its obligations under this Agreement as if this Agreement were one within the purview of Section 365(d) of the Code. Any costs, damages or expenses incurred by Warner due to any post-petition default(s) will be treated as administrative claims under the Code. If Warner is required to pay any post-petition obligation of Station, then on all amounts so paid Warner will be entitled to administrative priority. All references to the "Bankruptcy Code" refer to the Title 11 United States Code Section 101 et seq. as now existing or later amended.

15. WARNER'S WARRANTIES. Warner represents and warrants that:

A. Warner has authority to license rights specified in this Agreement. Warner has not assigned to another the rights granted to Station.

B. No exercise of rights granted to Station in any Episodes will: (i) infringe any third party's copyright, trademark or other property right; or (ii) defame or violate any right of privacy or infringe any personal right of any third party.

C. Warner will advise Station of information, of which it has actual knowledge, concerning any matter included in the Episode for which any money, service or other valuable consideration was paid, or accepted. This shall not include services or property furnished without charge, or at a nominal charge, for use on an Episode unless it is furnished in consideration for an identification in the Episode of any person, product, services, trademark, or brand name beyond an identification which is reasonably related to the use of the service or property in such Episode.

### 16. INDEMNITIES.

A. Warner will indemnify and hold harmless Station (including its officers, directors, employees and agents) against all claims, expenses (including reasonable attorneys' fees) and liabilities due to Warner's breach of any of its representations or warranties.

B. Station will indemnify and hold harmless Warner (including its officers, directors, employees and agents) against all claims and expenses (including reasonable attorneys' fees) and liabilities due to Station's failure to abide by any restriction on the exercise of any rights granted and for any breach of any of Station's obligations, representations or warranties set out in this Agreement.

17. INABILITY TO TELECAST. If, without Station's fault, the Station is unable to telecast the Episode(s) for 30 or more continuous days by reason of any Act of God, governmental action, war, flood, fire or public emergency, then Station may extend the term for the duration of any such period but not more than 6 months. This extension will not increase Station's time to make payments. Warner may suspend the delivery of materials during any extension. If Station's inability to telecast continues for more than 6 months, then Warner may terminate this Agreement and give Station an equitable adjustment of the total license fee applicable to the Episodes not telecast.

18. EXCLUSIVITY. Warner agrees that during the License Term it will not license any Episode:

(i) For broadcast by any other television station located in a community located less than 35 miles away from the Station's respective reference point, as determined pursuant to the rules and regulations of the F.C.C. as of the date of this Agreement (see 47 CFR Section 76.53); or

(ii) For local origination cablecasting by any cable television system operating within the "specified zone" of the Station's designated community in its market as defined in the rules and regulations of the F.C.C. as of the date of the Agreement (see 47 CFR Section 76.5(f)).

Station shall, by the terms of this Agreement, be entitled to invoke the protection against duplication of programming imported under Compulsory Copyright License, as provided in Section 76.101 of the FCC Rules ("Syndex"). Notwithstanding the foregoing, Station's right to invoke Syndex shall not apply to any broadcasts and/or cablecasts of the Series on WTBS. Additionally, commencing at the end of the WTBS term of license and continuing throughout the remainder of the License Term hereunder, Warner shall have the right to license the Series for any form of cable exhibition, in which event, Station's right to invoke Syndex or other exclusivity shall not apply to any such exhibitions of the Series.

Station may enter into an Agreement, in accordance with FCC regulations, to refrain from exercising the rights granted above provided that all money or other consideration received directly or indirectly by Station for such Agreement shall be paid by Station to Warner, shall be deemed to be the property of Warner and shall not affect any payments otherwise payable by Station hereunder.

Notwithstanding anything to the contrary contained in this paragraph 18 or elsewhere in this License Agreement, it is understood that Warner may permit or license carriage by a third party of the Episodes within Station's specified broadcast zone or community and elsewhere by cable, telephone or any other device, method or system (except free over-the-air broadcasting), but only pursuant to a so-called "on demand" system which allows each viewer to order, on a fee basis or otherwise, the telecast of one or more of the Episodes at any selected time or times.

### 19. ASSIGNMENT.

A. This Agreement is personal to Station. Station may not assign or transfer this Agreement, or sublicense or use an agent to exploit any of the rights granted to Station, whether voluntarily or involuntarily, without Warner's prior written consent. An assignment or transfer of a controlling interest in Station's capital stock or other evidence of ownership will require Warner's consent. If Warner does consent then this Agreement will be binding on such authorized assignee, transferee, sublicensee or agent but will not release Station of any of its obligations under this Agreement.

B. Warner may assign, transfer or sublicense any of its rights under this Agreement, but no such assignment, transfer or sublicense relieves Warner of its obligations.

### 20. MISCELLANEOUS PROVISIONS.

A. In conflicts between any term of this Agreement and any material law, ordinance, rule or regulation, the latter will prevail.

B. No waiver of any breach will be a waiver of any other breach of the same or any other provision. No waiver is effective unless in writing.

C. All remedies are cumulative, and resort to one will not preclude resort to any other at any time.

D. All notices will be in writing and sent to the parties at the following addresses:

Station to provide correct address.  
Warner Bros. Domestic Television Distribution  
4000 Warner Boulevard  
Triangle Building  
Burbank, CA 91522  
Attention: Brad Hornor

All payments required hereunder will be made as specified in the Agreement.

E. This Agreement contains the entire understanding of the parties regarding its subject matter and supersedes all previous written or oral understandings or representations between the parties if any.

F. This Agreement will be construed under and governed (1) by the internal laws of the State of California applicable to contracts entered into therein without giving effect to its conflicts of the law provisions and (2) by the laws of the United States of America to the extent that those laws preempt California State law.

G. Any action or proceeding based upon or arising out of this Agreement shall be prosecuted only in the Courts of the State of California or the United States District Court for the Central District of California and for such purpose Station constitutes and appoints the Secretary of State of the State of California or the United States Marshal for the Central District of California as its agent to receive service of any and all process in any such action or proceeding.

**In order for this Agreement, or any amendment or modification of it, to be binding upon Warner, it must be in writing and signed by both parties.**

Exhibit "B"

This Exhibit "B" is attached to and forms a part of the agreement dated April 19, 2001, contract # S2 00013 ("Agreement") between Warner Bros. Domestic Television Distribution, a division of Time Warner Entertainment Company, L.P. ("Licensor") and Bay City TV, Inc., licensee of television station XETV ("Licensee") with respect to "FRIENDS (2<sup>nd</sup> Cycle)" ("Program").

1. IT IS HEREBY AGREED by and between the parties to this Agreement that Licensee shall, by the terms of this Agreement, be entitled to invoke the protection against duplication of programming imported under Compulsory Copyright License, as provided in Section 76.101 of the FCC Rules ("Syndex"). Notwithstanding the foregoing, Station's right to invoke Syndex shall not apply to any broadcasts and/or cablecasts of the Series on WTBS. Additionally, commencing at the end of the WTBS term of license and continuing throughout the remainder of the License Term hereunder, Warner shall have the right to license the Series for any form of cable exhibition, in which event, Station's right to invoke Syndex or other exclusivity shall not apply to any such exhibitions of the Series.

Signed this 8<sup>th</sup>  
day of November 2001.

WARNER BROS. DOMESTIC TELEVISION  
DISTRIBUTION, a division of Time  
Warner Entertainment Company, L.P.  
\_\_\_\_\_  
(Licensor)

Bay City TV, Inc.  
\_\_\_\_\_  
(Licensee)

By: Michael Troxler  
\_\_\_\_\_  
Michael Troxler  
Its: VP, Finance  
\_\_\_\_\_

By: Jenni O'Keefe  
\_\_\_\_\_  
Jenni O'Keefe  
Its: VP + gm  
\_\_\_\_\_

# WARNER BROS. DOMESTIC TELEVISION DISTRIBUTION

FI 00208

A DIVISION OF WARNER BROS. TELEVISION DISTRIBUTION INC.  
4000 Warner Boulevard - The Triangle Building  
Burbank, CA 91522  
(818)954-6000

## FIELD ORDER - CASH & BARTER

LICENSEE <b>Bay City TV, Inc.</b>	STATION/AFFILIATION <b>XETV (FOX)/XUPN (UPN)</b>	DATE OF ORDER <b>5/28/2003</b>
STREET <b>8253 Ronson Road</b>	MARKET/TRUNK <b>San Diego, CA/26</b>	FCC CITY OF IDENTIFICATION <b>San Diego, CA</b>
CITY/STATE <b>San Diego, CA</b>	ZIP <b>92111</b>	FAX NO. <b>858-268-8351</b>
SALESPERSON <b>Mark O'Brien</b>		PHONE NO. <b>858-279-6668</b>

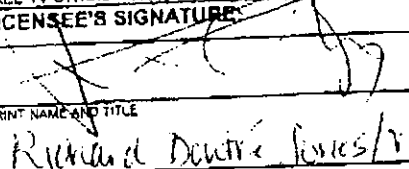
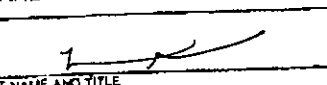
### FRIENDS

Licensee agrees to license from Licensor the right to broadcast **FRIENDS** ("Program") for the period commencing **9/12/2005** through **6/11/06 (39 weeks)** ("License Term") on the following basis:

OFF NETWORK SERIES <b>FRIENDS</b>	EPISODES <b>Approximately 236</b>	
WEEKLY LICENSE FEE <b>\$7,172/wk - 1<sup>st</sup> Run \$2,000/wk - 2<sup>nd</sup> Run</b>	BARTER WITHIN SERIES (per day) <b>1.5/5.5 per M-F telecast</b>	TELECASTS PER WEEK <b>2 half-hours per day M-F + 1 optional barter free weekend half-hour telecast each week</b>
LICENSED TIME PERIODS <b>1<sup>st</sup> Run: M-F</b> Start Time: 4PM                      End Time: 8PM, or Start Time: 11PM                      End Time: 12AM  <b>2<sup>nd</sup> Run: M-F</b> Start Time: 4PM                      End Time: 8PM, or Start Time: 11PM                      End Time: 12AM		
DELIVERY Satellite at no charge. If videotape requested, Station will pay: \$30/half-hour - \$55/hour or \$125/two-hour videotape, plus shipping both ways		

**PAYMENT/ADDITIONAL TERMS** | Station is licensing the 39 week period of the first cycle of the FRIENDS series applicable to the tenth network season (03/04); it being understood and agreed that in the event that no episode(s) are produced for the tenth season on the network, this agreement shall become null and void. The Program may air on XETV or XUPN, provided that each run on either station shall count against the total number of telecasts licensed hereunder. Licensee shall pay the total license fee in nine (9) equal consecutive monthly installments commencing on 9/12/05. For each broadcast season after and excluding the tenth broadcast season in which any Episode(s) of the Series shall be initially produced for network television and licensed hereunder ("Additional Episodes"), an additional thirty-nine (39) consecutive weeks shall be added to the License Term. No Prime Time telecast allowed while the series remains on the network.

LICENSEE'S BROADCAST OF EACH EPISODE (AND ALL OF THE CONTENT CONTAINED THEREIN, INCLUDING, WITHOUT LIMITATION, LICENSOR'S BARTER TIME) AND THE PAYMENT OF THE LICENSE FEES, IF ANY, IS OF THE ESSENCE OF THIS FIELD ORDER. IF THE AGREEMENT INCLUDES A CASH LICENSE FEE THEN ANY PAYMENT NOT MADE WITHIN 30 DAYS OF ITS DUE DATE WILL BEAR INTEREST AT THE RATE OF 1 1/4% PER MONTH (OR SUCH LOWER MAXIMUM RATE, IF ANY, SPECIFIED BY CONTROLLING LAW). STATION SHALL BROADCAST THE EPISODES ON ITS PRIMARY DIGITAL CHANNEL, IF ANY, SIMULTANEOUSLY WITH ITS REQUIRED NTSC BROADCASTS. LICENSOR SHALL NOT LICENSE THE EPISODES LICENSED HEREUNDER BY MEANS OF FREE OVER-THE-AIR TELEVISION IN THE ENGLISH LANGUAGE DURING THE LICENSE TERM TO ANOTHER FREE OVER-THE-AIR TELEVISION STATION WHOSE SIGNAL ORIGINATES AND WHOSE GEOGRAPHICAL REFERENCE POINT IS WITHIN A THIRTY-FIVE (35) MILE RADIUS OF THE GEOGRAPHICAL REFERENCE POINT OF STATION'S MARKET/FCC CITY OF IDENTIFICATION AS DESIGNATED IN THIS FIELD ORDER, AS SPECIFIED IN SECTION 78.53 OF THE FEDERAL COMMUNICATIONS COMMISSION RULES. WITHOUT LIMITING THE FOREGOING, THERE MAY BE CONCURRENT BASIC-CABLE AND/OR SUPERSTATION EXHIBITIONS OF THE PROGRAM. ANY AND ALL RIGHTS NOT EXPRESSLY GRANTED TO LICENSEE PURSUANT TO THIS FIELD ORDER ARE EXPRESSLY EXCLUDED FROM THE RIGHTS LICENSED TO LICENSEE HEREUNDER. ARE HEREBY RESERVED FOR LICENSOR, AND MAY BE EXPLOITED BY LICENSOR, AT ANY TIME, IN ITS SOLE DISCRETION. LICENSEE'S SIGNATURE OF THIS FIELD ORDER SHALL FORMALIZE LICENSEE'S OFFER TO LICENSE THE EPISODES PURSUANT TO THE TERMS AND CONDITIONS SET FORTH ABOVE. LICENSOR'S ACCEPTANCE, IF ANY, OF LICENSEE'S OFFER SHALL BE SUBJECT TO THIS FIELD ORDER BEING SIGNED BY LICENSOR'S AUTHORIZED REPRESENTATIVE. IF LICENSOR SIGNS AND ACCEPTS THIS FIELD ORDER, THEN THIS FIELD ORDER SHALL CONSTITUTE A BINDING AGREEMENT BETWEEN LICENSEE AND LICENSOR. LICENSOR HAS THE RIGHT TO INSERT BILLBOARDS, FEE SPOTS, PRODUCT PLACEMENT, AND SPONSOR AND CLOSED-CAPTIONING ANNOUNCEMENTS IN EACH OF THE EPISODES, IN ADDITION TO LICENSOR'S BARTER TIME. LICENSEE ACKNOWLEDGES THAT LICENSEE'S AGREEMENT WITH LICENSOR SHALL BE IN ACCORDANCE WITH, AND SUBJECT TO, STANDARD TERMS AND CONDITIONS, WHICH SHALL BE SENT TO LICENSEE FOLLOWING SIGNATURE OF THIS FIELD ORDER BY BOTH PARTIES; PROVIDED THAT IN THE EVENT OF ANY INCONSISTENCIES, THE TERMS OF THIS FIELD ORDER SHALL CONTROL. THIS FIELD ORDER SHALL BE CONSTRUED UNDER AND GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA IN EFFECT AS OF THE DATE HEREOF. THIS FIELD ORDER SHALL BE DEEMED TO BE EXECUTED AND PERFORMED WHOLLY WITHIN THE COUNTY OF LOS ANGELES. IN THE EVENT THAT THE PARTIES ARE UNABLE TO RESOLVE ANY DISPUTE INFORMALLY, THEN SUCH DISPUTE SHALL BE SUBMITTED TO FINAL AND BINDING ARBITRATION. THE ARBITRATION SHALL BE CONDUCTED ACCORDING TO JAMS ARBITRATION RULES AND PROCEDURES AT ITS LOS ANGELES OFFICE AND FOLLOW CALIFORNIA LAW AND THE FEDERAL RULES OF EVIDENCE. NOTWITHSTANDING THE FOREGOING, THE LICENSE HEREOF IS CONTINGENT ON LICENSOR'S RELEASE AND CONTINUING DISTRIBUTION OF THE PROGRAM IN FREE TV SYNDICATION (I.E., NATIONWIDE ON A MARKET-BY-MARKET BASIS)

<b>LICENSEE'S SIGNATURE</b>	<b>WARNER BROS. DOMESTIC TELEVISION DISTRIBUTION</b>
X 	X 
<b>PRINT NAME AND TITLE</b>	<b>PRINT NAME AND TITLE</b>
<i>Richard Dentre Jones / VP, General Manager</i>	<b>Roxanne Modjallal, Vice President, Finance</b>



## EXHIBIT "A"

### STANDARD TERMS AND CONDITIONS

The Standard Terms and Conditions set forth below are attached to and made a part of that certain field order, license agreement or deal memorandum ("Agreement") between Licensor and Licensee as specified in the Agreement. Any references to the Agreement contained hereinbelow shall be deemed to include these Standard Terms.

As used herein, "Program" shall refer to a theatrical motion picture, a made-for-television movie and/or the pilot and/or an episode or episodes of a television series and/or television special(s), as applicable. Licensee acknowledges that each Program was individually listed and separately priced, and that Licensor offered each Program on a Program by Program basis without discrimination and without conditioning the licensing of any one Program upon the licensing of any other Program. Licensee acknowledges that it desires to acquire a license for each Program and that the license for all Programs are included in this Agreement for convenience only. In the event that the negotiations were conducted on an aggregate fee basis, Licensee acknowledges that such fee arrangement was done at its request, although it had an opportunity to negotiate on a Program by Program basis. Licensee further acknowledges that it is fully aware of Licensor's policy to afford Licensee and all other television stations, if any, in Licensee's market area, the opportunity to license any one or more of the Programs that Licensor has available for licensing in said market area, and that Licensor has actually afforded Licensee such opportunity; that Licensee is freely entering into this Agreement upon the terms herein contained; that there are no conditions or representations of any kind other than those expressly stated herein; that in licensing any one Program hereunder Licensor in no way has compelled Licensee to license any other Program; and, that no representative of Licensor has any authority to alter Licensor's policy referred to in this paragraph. Licensor and Licensee acknowledge that the possession of the right to broadcast constitutes a use of the product by Licensee. Licensor and Licensee acknowledge that the timely performance of all obligations under this Agreement is essential. Licensor's business, not only with Licensee but also with others similarly situated, requires that it be able to rely on the faithful and timely performance of all obligations of Licensee under this Agreement.

#### 1. BROADCASTING RIGHTS.

A. The Program may only be broadcast in the English language: (i) on Free TV (as defined below) up to the number of times specified in the Agreement to non-paying audiences; (ii) if the station as set forth in the Agreement ("Station") is a UHF, VHF or digital broadcast, low power, or translator television station, then only from the existing originating television transmitter of such Station; and (iii) if Station is a local cable television system, then only to the individual subscribers of the system located within the Market described in the Agreement.

B. "Free TV" means conventional, free, over-the-air VHF, UHF or digital broadcast, or cable television transmission by television broadcast stations, station groups or networks, the video and audio portions of which are intended to be intelligibly received without charge by means of a home roof-top or self-contained antenna for viewing on a television receiver set or its equivalent in the viewer's home. Neither governmental television receiver assessments or taxes, nor periodic service charges made by cable systems (other than a charge for pay television viewing) shall be considered a viewer charge.

C. Station may not authorize any broadcast to be amplified, retransmitted or relayed by any translator or booster station, satellite, community antenna system, cable television system, or any other method not expressly authorized in this Agreement. Notwithstanding the foregoing, Licensor agrees that Station may, pursuant to the provisions of the Cable Television Consumer Protection and Competition Act of 1992 and the Satellite Home Viewer Improvement Act of 1999 (collectively, the "Acts"), request or authorize any cable television system or satellite carrier, as defined in the Acts, to retransmit over its facilities, the television signal transmitted by Station, including the Program licensed hereunder.

D. Station shall broadcast the Program on its primary digital channel, if any, simultaneously with its required NTSC broadcasts. The content of the simultaneous digital broadcast of the Program, including, without limitation, all commercial advertisements, shall be identical to the NTSC broadcasts. For purposes of this provision, Station's "Primary Digital Channel" shall be the following: (i) If Station is affiliated with a broadcast network (including,

without limitation, ABC, CBS, NBC, Fox, The WB, UPN, PAX or any other network that offers an interconnected program service on a regular basis for fifteen (15) or more hours per week to at least twenty-five (25) stations in ten (10) or more states), the same digital channel on which Station's primary network programming is broadcast; or (ii) if Station is not affiliated with a broadcast network, the same digital channel on which Station simulcasts more than fifty percent (50%) of the total hours of programming available on its NTSC channel, or (but only if Station does not simulcast at least fifty percent (50%) of its total hours of NTSC programming on one digital channel) the digital channel which delivers the highest average rating as determined by the A.C. Nielsen company for the 6:00 AM - 2:00 AM period within Station's DMA.

E. Except as set forth in the Agreement, Licensor reserves all rights not licensed in each Program hereunder, including, without limitation, the right to license the Program by means of basic cable, pay cable, pay-per-view, video-on-demand, near video-on-demand, subscription video-on-demand, superstation, electronic delivery via the Internet, home video, Free TV in all languages other than English, or by any other means now known or hereafter devised. Licensor may exploit such reserved rights as Licensor sees fit without restriction.

#### 2. LICENSE TERM AND BROADCAST WINDOW(S).

A. The License Term for each Program begins on the earlier of the date of first broadcast of the Program, or the start date stated in the Agreement. The License Term for each Program shall end on the earlier of the expiration of the License Term as specified in the Agreement or the date of its last licensed broadcast. Licensor may change the start of the License Term for any Program upon timely notice to Licensee.

B. Licensee shall not change the authorized Broadcast Window(s) as set forth in the Agreement without Licensor's prior written consent. Licensee shall give Licensor two weeks prior written notice if Licensee elects to move the Program to another time period within the authorized Broadcast Window(s) as set forth in the Agreement. All time references in the Agreement are local time for Station. Unless otherwise provided for in the Agreement, Licensee shall not broadcast the Program during the prime time hours of M-Sat 8:00 PM - 11:00 PM and Sun 7:00 PM - 11:00 PM (EST/PST) or M-Sat 7:00 PM - 10:00 PM and Sun. 6:00 PM - 10:00 PM (CST/MST) during a broadcast network's license term, if any.

#### 3. CONSIDERATION.

A. CASH: Where the Agreement includes monetary payments, Licensee shall pay the amounts specified for each Program whether or not all authorized broadcasts occur. Monthly payments are due on the first of each consecutive month beginning as stated in the Agreement, continuing uninterrupted until the total license fee is paid or the last authorized broadcast, whichever is earlier.

#### B. BARTER AND OTHER CONSIDERATION:

i. Where the Agreement includes commercial time, Licensee shall provide the commercial time specified for each Program whether or not the authorized broadcasts occur. If Licensee fails to provide any required commercial time, Licensee shall at Licensor's election either promptly provide Licensor with comparable substitute commercial time in accordance with Licensor's instructions or pay Licensor the national media value for such time as determined by Licensor. Licensor and Licensee shall each be entitled to retain all revenues derived from their respective commercial advertisement time. In addition to its commercial advertisement time, Licensor shall have the right to insert billboards, fee spots and sponsor and closed-captioning announcements in each Program, in its sole discretion. Additionally, Licensor shall have the right to insert product placement into the Program. Licensee shall broadcast the Program in the order designated by Licensor for broadcast during each week, it being understood that Licensor shall determine, in its sole discretion, the episodic sequence of such Program broadcast and the number of times each such Program shall be rebroadcast. Licensee shall broadcast each Program without deletion or change in the Program or in the commercials or other content furnished by Licensor, except that Licensee may add its commercial material in the commercial positions provided by Licensor. Licensee's commitment to broadcast the Program is a firm broadcast commitment and there shall be no "warehousing" (i.e., Licensee must broadcast the Program, including Licensor's commercial time and other announcements).

ii. Licensee shall only be permitted to preempt the broadcast of a Program due to an event of urgent importance or to broadcast a unique one-time special event. In the event of such an authorized preemption, the Program shall be

rescheduled and broadcast during the current or the immediately following Monday through Sunday broadcast week within the applicable Broadcast Window or in another broadcast window pre-approved by Licensor, in its sole discretion and Licensee shall, at its own expense, insert Licensor's Barter Time and fee spots designated by Licensor for the then current broadcast day into the positions within the Program as designated by Licensor. Licensee shall comply with Licensor's requirements with respect to Barter Time and other announcements that must air on or by a certain date. Licensee shall immediately notify Licensor of a preemption and of the reason therefor. Failure to comply with the above provisions shall constitute a default by Licensee and shall entitle Licensor to all of its rights and remedies hereunder.

C. **GENERAL:** Each payment must be made to Licensor free of any off-sets, claims, taxes or other charges. Any payment not made within thirty (30) days of its due date shall bear interest at the rate of one and one-half percent (1 1/2%) per month (or such lower maximum rate, if any, specified by controlling law). Acceptance of any payment after its due date shall not constitute a waiver by Licensor of any of its rights except as to such payment. Timely payment and/or provision of all commercial time is/are of the essence of this Agreement, and is an express condition precedent to Licensee's right to exercise any broadcasting rights in any Program.

#### 4. USAGE REPORTS AND AFFIDAVITS.

A. Where the Agreement includes License Fee(s) as the only form of remuneration payable from Licensee to Licensor, Licensee shall give Licensor notice in writing of the date on which Licensee intends to broadcast the Program by no later than thirty (30) days prior to the date of such scheduled broadcast.

B. Licensee shall, within thirty (30) days following each broadcast hereunder, furnish Licensor with an affidavit of performance which shall certify the date, time and place of each broadcast and any of Licensor's commercial and other announcements included in such broadcast. Affidavits shall be sent to: Director of Clearance Validation, 4000 Warner Boulevard, Building 118, Room 4004, Burbank, CA 91522. In the event of a preemption, Licensee shall immediately notify Licensor of the reason therefor and shall furnish to Licensor an affidavit certified as correct by an officer of Licensee that such preempted Program (listed by name) and Licensor's commercial inventory and all other announcements (listed by commercial ID number) contained therein were actually broadcast during the make good period as set forth in Paragraph 3B(ii) above and the respective date(s) and time(s) of any such broadcast(s). Licensee acknowledges that the receipt of said affidavits is essential in order for Licensor to collect from its advertisers the compensation due to Licensor by virtue of the sale of Licensor's commercial time in the Program. Therefore, any failure by Licensee to furnish said affidavits in a timely manner as set forth herein shall be deemed a material breach of the Agreement and shall entitle Licensor to exercise all of its rights and remedies set forth in the Agreement, including, without limitation, all of Licensor rights and remedies at law and in equity.

#### 5. DELIVERY AND RETURN OF MATERIALS.

A. Licensor shall deliver materials for the Program ("Materials") as specified in the Agreement. If no Materials are specified, Licensor shall notify Licensee of the Materials to be delivered as well as the method of delivery promptly after Licensor receives notice from Licensee of a scheduled broadcast date. Where the Agreement includes License Fee(s) as the only form of remuneration payable from Licensee to Licensor, Licensor requires at least thirty (30) days notice of the scheduled broadcast date of any Program. If less than thirty (30) days notice is given, Licensor shall not be responsible for late delivery.

B. For any Program delivered on tape, Licensor shall make available said Program on a 1", 3/4" or Beta SP videotape format, or as otherwise specified in the Agreement. Licensor's delivery shall be complete when Licensor has either physically delivered the Program to Licensee or its agent, or has given the Program to Licensor's carrier f.o.b. its place of shipment. If Licensor delivers any Program and/or commercial reel via tape, Licensee shall pay the cost as determined by Licensor for each such tape, payable upon receipt of Licensor's invoice therefore. Licensee shall pay all costs of delivery, including shipping, handling and insurance.

C. For any booking Program ("Booking Program") obtained by Licensee for the purpose of dubbing onto Licensee's tape stock, (i.e., book and dub) Licensee shall pay the cost of shipping said Booking Program to it and, within three (3) days and at its own expense, return or transship said Booking Program to any address specified by Licensor. Additionally, any Booking Program must be returned in the

same condition as it was received (allowing for normal wear and tear) or Licensee shall be held responsible for the cost to duplicate an identical Booking Program.

D. Licensee shall be responsible for the maintenance, storage, shipping, handling and insurance costs of any library Program ("Library Program") licensed by Licensee. Upon completion of contracted broadcasts or at the end of the License Term, whichever comes first, Licensee shall, at its option and expense, either return said Library Program to Licensor at an address specified by Licensor or destroy said Library Program and immediately issue a certificate of destruction for each Library Program.

E. Licensee may not allow copying except to permit an authorized broadcast or part with the possession of any Program except for return shipment per the Agreement.

F. If delivery is by satellite, Licensor shall be responsible for all "uplinking" transmission costs, and Licensee shall be responsible for arranging to receive the satellite transmission and for all "downlinking" reception costs. Licensee's failure to make suitable "downlinking" arrangements, or failure to receive any Program due to technical "downlink" or reception failure shall not affect Licensee's obligations hereunder. Where the Program includes commercial time or other announcement time, Licensee shall destroy any tape of such Program immediately after the broadcast for which the satellite feed was intended, at its expense. For all other Programs, Licensee shall destroy any tape of such Program on the earlier of Licensor's last authorized broadcast or the end of the License Term, at its expense.

#### 6. EXAMINATION OF MATERIALS.

A. Licensee shall examine all Materials immediately after their receipt. If any Materials are unsuitable Licensee shall immediately notify Licensor who, at Licensor's option, shall furnish suitable replacements of the Program in question or grant a proportionate credit with respect to the portion of the License Fee allocable to the Program, it being acknowledged that Licensor shall have no other obligation or liability to Licensee whatsoever. A Program shall be deemed suitable unless notice of defect is given within three (3) business days following receipt. Licensor shall not be deemed to be in breach of the Agreement as a result of any defect or unsuitability of any Materials.

B. All materials which Licensee produces for the broadcast of any Program shall become the property of Licensor. Following the broadcast for which they were produced, Licensee shall, at its option and expense, either return said materials to Licensor at an address specified by Licensor or destroy such materials and immediately issue a certificate of destruction.

#### 7. RESTRICTIONS ON ALTERATIONS.

A. Licensee, at its own expense, may only insert commercials in the Program in the spaces designated by Licensor, and not in a manner which adversely affects a Program's artistic or pictorial quality. All commercials inserted by Licensee must be removed without damage before the Program is returned. A "cut in" fee may not be charged.

B. Except for inserting commercials, Licensee may not alter or serialize any Program. Licensee may not delete or alter the copyright notice, trademark notice or credits in any Program.

C. Licensee shall not alter any Material provided to Licensee by Licensor without Licensor's prior permission, including, but not limited to, print ads, radio, television or cable spots.

#### 8. ADVERTISING AND BILLING. USE OF NAMES AND LIKENESSES.

Licensor shall furnish Licensee such promotional and advertising Materials for use by Station as Licensor may have available and appropriate for use hereunder. Licensee shall use its best efforts to promote Licensee's broadcast of the Program. Licensee warrants and agrees that (i) it shall comply with Licensor's advertising and billing requirements and Licensor's limitations on the use of the names and likenesses of the actors and characters for each Program, as notified; (ii) none of its advertising or billing shall infringe on the rights of others or constitute an express or implied endorsement of any product, service or sponsor, other than the Program itself; (iii) it shall not advertise any title changed by Licensor or Program withdrawn by Licensor; (iv) Licensee, its sponsors and advertisers shall abide by and comply with the screen billing in the same form as it appears in the Program, that is, all advertising shall give cast and other credits in the same manner, position and relative size and prominence of type as those credits appear in the main title of the respective Program; (v) it shall not create, develop, extract or excerpt from the Program to advertise and promote the Program; (vi) it shall

comply with all Collective Bargaining Agreements concerning advertising and promotion requirements with respect to any Program; (vii) no authorized excerpt from any Program may exceed two (2) minutes in length; (viii) it shall not promote the Program via the Internet without Licensor's approval; and (ix) it shall indemnify Licensor against all costs, damages, and expenses, including but not limited to reasonable attorneys' fees incurred by or caused to Licensor by reason of any actual or alleged breach by Licensee of the provisions of this paragraph.

9. **MUSIC.** Licensor represents that, to the best of its knowledge, the non-dramatic television performing rights in the music embodied in each Program: (a) are controlled by BMI, ASCAP, SESAC, or other performing rights society having authority over Licensee's broadcast of the Program; (b) are in the public domain; or (c) are controlled by Licensor to the extent necessary to permit Licensee's broadcast of each Program. Upon request Licensor shall furnish Licensee with available music cue sheets for any Program. With regard to music in category (a), Licensee shall at its own expense obtain any licenses required to broadcast or perform any such music.

#### 10. TAXES, ROYALTIES AND FEES.

A. Licensee shall pay all taxes (including without limitation sales, use, VAT and remittance), duties, and any other charges, including interest and penalties, now or later imposed on or resulting from the license, rental, delivery, broadcast, possession or use by Station of any Program. To the extent that any such taxes, duties and any other charges (or penalties or interest thereon) are paid by Licensor, Licensee shall reimburse Licensor therefor on demand.

B. **ROYALTIES AND FEES:** Any royalties or fees which may be paid to or received by Licensee by virtue of any statute, governmental regulation, by operation of law or in any other manner on account of private recording or amplification, retransmission, or relaying of the Program on any station, translator, repeater, satellite, cable television system, relay broadcasts, network simultaneous transmission or otherwise shall belong to Licensor, and if received by Licensee, shall be held by Licensee as agent and/or trustee for Licensor and shall be promptly paid over to Licensor. In addition, Licensee hereby assigns to Licensor for the Program licensed hereunder all of Licensee's right and interest to any royalty payments to which Licensee may be entitled pursuant to Section 111(d) of the Copyright Revision Act of 1976 ("Copyright Act"), or similar legislation that may hereafter be enacted, and Licensor may, for Licensor's own interests and the interests of Licensee, make whatever application is necessary to petition for such royalty payments. Licensee agrees to do all such acts and execute all such documents as Licensor may hereafter require in order to comply with the requirements of the Copyright Act, and Licensee hereby appoints Licensor as Licensee's attorney-in-fact and duly authorized agent to do all such acts and execute all such documents on its behalf if Licensee shall fail to do so within one month of any request. Licensee acknowledges that the foregoing power-of-attorney is deemed coupled with an interest.

#### 11. SUSPENSION AND WITHDRAWAL.

A. Licensor may, in its sole discretion, either suspend delivery or broadcast of any Program temporarily or withdraw any Program permanently if Licensor determines that the broadcasting thereof would or might: (i) infringe the rights of others; (ii) violate any law, court order, government regulation or other ruling of any governmental agency; or (iii) subject Licensor to any liability or litigation. Furthermore, Licensor may withdraw any Program (i) if Licensor determines that the rights to the literary, dramatic or musical material upon which said Program is based have expired or may expire during its License Term; (ii) if Licensor determines that Licensor's materials are unsuitable for making broadcast quality prints, tapes, cassettes or discs; or (iii) due to Force Majeure (as defined below).

B. Licensee shall not be entitled to claim damages for any suspension. If any suspension lasts for more than six (6) consecutive months, either party may terminate this Agreement with respect to the suspended Program on ten (10) days notice. If not so terminated then the License Term for the suspended Program may, in Licensor's sole discretion, be extended for the length of each suspension, but not beyond the expiration of Licensor's right to license the suspended Program to Licensee.

C. If any Program is withdrawn or this Agreement is terminated with respect to any Program after a suspension period, then Licensee shall be entitled, at Licensor's election, to: (i) a substitute Program of comparable quality to the withdrawn Program; or (ii) receive an equitable proportion as allocated by Licensor

of any amounts paid. Licensee's sole remedy shall be one of the remedies set forth in this subparagraph, except as provided in Paragraph 12.

D. "Force Majeure" means any fire, flood, earthquake, or public disaster, strike or labor dispute; unavailability of any major talent committed to the Program; unavoidable accident; breakdown of electrical or sound equipment; failure to timely perform by any laboratory or supplier; delay or lack of transportation; embargo, riot, war (whether or not declared), insurrection or civil unrest; any Act of God; any act of any legally constituted authority; or any other cause beyond the reasonable control of Licensor.

12. **TERMINATION OF PRODUCTION.** If production or delivery of the Program is terminated for any reason during the License Term, Licensor upon ten (10) days notice to Licensee may cancel this Agreement without further liability to Licensor. License fees shall be prorated to the effective date of termination. Licensee's barter obligation, if any, shall continue until the effective date of termination.

13. **EARLY TERMINATION.** Where the Agreement includes License Fee(s) as the only form of remuneration payable from Licensee to Licensor, at such time as the number of remaining unplayed telecasts equals twenty percent (20%) or less of the total number of telecasts licensed hereunder or at such time as eighteen (18) months or less remain of the License Term, Licensor may terminate the Agreement on thirty (30) days notice. In such event Licensor shall pay to Licensee (or credit Licensee's account with Licensor if such account is in arrears) an amount equal to the proportionate percentage of the unplayed telecasts to the total License Fee as allocated by Licensor.

#### 14. DEFAULT.

A. Licensee shall be deemed in default if: (i) Licensee fails to pay its debts when due; (ii) Licensee seeks relief under any bankruptcy law or similar provision for the protection of debtors; (iii) Licensee fails to make any payment in accordance with the terms of this Agreement and such failure continues for a period of ten (10) days; (iv) Licensee is in breach of or breaches any provision of this Agreement or any other agreement between Licensee and Licensor or any affiliate of Licensor; (v) Licensee attempts to make any assignment, transfer or sublicense of this Agreement without Licensor's consent as provided in Paragraph 20A; (vi) Licensee and/or Station ceases or suspends operations; or (vii) Licensee loses control of, whether voluntarily or otherwise, the Station, its interest therein, or its license to operate the Station.

B. In the event of a default by Licensee, Licensor may terminate this Agreement or any other agreement between Licensee and Licensor or any affiliate of Licensor and/or proceed against Licensee for legal and equitable relief and/or may suspend delivery of the Program and declare the License Fee (and any additional sums payable under the Agreement) immediately due and payable to Licensor regardless of the due date thereof. Upon Licensee's receipt of notice of default, Licensee shall return all Materials in Licensee's possession or under Licensee's control to Licensor immediately.

C. Default by Licensor is limited to the particular Program to which the default applies. No default by Licensor as to one Program shall be a default as to any other Program. Licensee shall promptly give Licensor written notice of any claimed default and Licensor shall have twenty (20) days after its receipt of such notice to commence and diligently pursue cure of such default. Only if Licensor fails to do so, may Licensee proceed against Licensor for available relief; provided that Licensee's sole remedy for breach of any provision of this Agreement shall be an action at law for damages, it being agreed that in no event shall Licensee be entitled to injunctive or other equitable relief.

15. **INSOLVENCY.** The parties hereby agree and intend that this Agreement is an executory contract governed by Section 365 of the U.S. Bankruptcy Code ("Bankruptcy Code"). In the event of Licensee's bankruptcy, the parties intend that any royalties payable under this Agreement during the bankruptcy period be deemed administrative claims under the Bankruptcy Code because the parties recognize and agree that the bankruptcy estate's enjoyment of this Agreement will (i) provide a material benefit to the bankruptcy estate during its reorganization and (ii) deny Licensor the benefit of the exploitation of the rights through alternate means during the bankruptcy reorganization. The parties acknowledge and agree that any delay in the decision of the trustee of the bankruptcy estate to assume or reject the Agreement (the "Decision Period") materially harms Licensor by interfering with Licensor's ability to alternatively exploit the rights granted under this Agreement during a Decision Period of uncertain duration. The parties recognize that arranging appropriate alternative

exploitation would be a time consuming and expensive process and that it is unreasonable for Licensor to endure a Decision Period of extended uncertainty. Therefore, the parties agree that the Decision Period shall not exceed sixty (60) days. Licensor, in its interest to safeguard its valuable interests (including, without limitation, its intellectual property rights in the licensed property), has relied on the particular skill and knowledge base of Licensee. Therefore, the parties acknowledge and agree that in a bankruptcy context this Agreement is a license of the type described by Section 365(c)(1) of the Bankruptcy Code and may not be assigned without the prior written consent of the Licensor.

**16. LICENSOR'S WARRANTIES.** Licensor represents and warrants that:

A. Except with respect to any material added by Licensee and except with respect to music which is specifically provided for herein, it has authority to license rights specified in this Agreement.

B. No exercise of rights granted to Licensee in any Program shall: (i) infringe any third party's copyright, trademark or other property right; or (ii) defame or violate any right of privacy or infringe any personal right of any third party.

C. Licensor shall advise Licensee of information, of which it has actual knowledge, concerning any matter included in the Program for which any money, service or other valuable consideration was paid, or accepted. This shall not include services or property furnished without charge, or at a nominal charge, for use on a Program unless it is furnished in consideration for an identification in the Program of any person, product, services, trademark, or brand name beyond an identification which is reasonably related to the use of the service or property in such Program.

**17. INDEMNITIES.**

A. Licensor shall indemnify and hold harmless Licensee (including its officers, directors, employees and agents) against any damages awarded in any final judgment entered against Licensee (other than for loss of profits or consequential damages sustained by Licensee) or settlement approved by Licensor, due to Licensor's breach of any of its representations or warranties, provided, however, prompt detailed written notice of claim of such breach or warranty is given by Licensee to Licensor. Licensor shall have full control over the defense and/or settlement of any claim or litigation including the right to engage its own counsel. Licensee shall cooperate fully with Licensor in the defense or settlement of any such claim or litigation.

B. Licensee shall indemnify and hold harmless Licensor (including its officers, directors, employees and agents) against all claims and expenses (including reasonable attorneys' fees) and liabilities arising from or as the result of (i) Licensee's failure to abide by any restriction on the exercise of any rights granted; (ii) any breach of any of Licensee's obligations, representations or warranties set out in this Agreement; or (iii) the broadcasting of any material in connection with or relating to the Program other than material contained in the Program as delivered by Licensor.

**18. INABILITY TO BROADCAST.** If, without Licensee's fault, Licensee is unable to broadcast the Program for thirty (30) or more continuous days by reason of any Act of God, governmental action, war (whether or not declared), flood, fire or public emergency, then Licensor may, in its sole discretion, extend the License Term with respect to any affected Program for the duration of any such period but not beyond the expiration of Licensor's right to license the Program to Licensee. This extension shall not increase Licensee's time to make payments. Licensor may suspend the delivery of Materials during any extension. If Licensee's inability to broadcast continues for more than six (6) months, then Licensor may terminate this Agreement and give Licensee an equitable adjustment of the total License Fee applicable to the Program not broadcast as allocated by Licensor.

**19. EXCLUSIVITY.** Licensor agrees that during the License Term it shall not license any Program in the English language:

(i) For broadcast by any other television station located in a community located less than thirty-five (35) miles away from the Station's respective reference point, as determined pursuant to the rules and regulations of the F.C.C. as of the date of this Agreement (see 47 CFR Section 76.53), provided that such exclusivity shall not preclude network broadcasts of the Program during the License Term; or

(ii) For local origination cablecasting by any cable television system operating within the "specified zone" of the Station's designated community in its Market as defined in the rules and regulations of the F.C.C. as of the date of the Agreement (see 47 CFR Section 76.5(e)).

**20. ASSIGNMENT.**

A. This Agreement is personal to Licensee. Licensee may not assign or transfer this Agreement, or sublicense or use an agent to exploit any of the rights granted to Licensee, whether voluntarily or involuntarily, without Licensor's prior written consent. An assignment or transfer of a controlling interest in Licensee's capital stock or other evidence of ownership shall require Licensor's consent. If Licensor does consent then this Agreement shall be binding on such authorized assignee, transferee, sublicensee or agent but shall not release Licensee of any of its obligations under this Agreement. Nothing in this paragraph shall release Licensee or its successors in interest from fulfilling Licensee's obligations hereunder.

B. Licensor may assign, transfer or sublicense any of its rights under this Agreement, but no such assignment, transfer or sublicense relieves Licensor of its obligations.

**21. DISPUTE RESOLUTION.**

A. Any and all controversies, claims or disputes arising out of or related to this Agreement or the interpretation, performance or breach thereof, including, but not limited to, alleged violations of state or federal statutory or common law rights or duties, and the determination of the scope or applicability of this agreement to arbitrate ("Dispute"), except as set forth in subparagraphs C and D, below, shall be resolved according to the procedures set forth in subparagraph B, below, which shall constitute the sole dispute resolution mechanism hereunder:

B. **ARBITRATION:** In the event that the parties are unable to resolve any Dispute informally, then such Dispute shall be submitted to final and binding arbitration. The arbitration shall be initiated and conducted according to either the JAMS Streamlined (for claims under \$250,000) or the JAMS Comprehensive (for claims over \$250,000) Arbitration Rules and Procedures, except as modified herein, including the Optional Appeal Procedure, at the Los Angeles office of JAMS, or its successor ("JAMS") in effect at the time the request for arbitration is made (the "Arbitration Rules"). The arbitration shall be conducted in Los Angeles County before a single neutral arbitrator appointed in accordance with the Arbitration Rules. The arbitrator shall follow California law and the Federal Rules of Evidence in adjudicating the Dispute. The parties waive the right to seek punitive damages and the arbitrator shall have no authority to award such damages. The arbitrator shall provide a detailed written statement of decision, which shall be part of the arbitration award and admissible in any judicial proceeding to confirm, correct or vacate the award. Unless the parties agree otherwise, the neutral arbitrator and the members of any appeal panel shall be former or retired judges or justices of any California state or federal court with experience in matters involving the entertainment industry. If either party refuses to perform any or all of its obligations under the final arbitration award (following appeal, if applicable) within thirty (30) days of such award being rendered, then the other party may enforce the final award in any court of competent jurisdiction in Los Angeles County. The party seeking enforcement shall be entitled to an award of all costs, fees and expenses, including attorneys' fees, incurred in enforcing the award, to be paid by the party against whom enforcement is ordered.

C. **INJUNCTIVE RELIEF:** Notwithstanding the foregoing, either party shall be entitled to seek injunctive relief (unless otherwise precluded by any other provision of this Agreement) in the state and federal courts of Los Angeles County.

D. **OTHER MATTERS:** Any Dispute or portion thereof, or any claim for a particular form of relief (not otherwise precluded by any other provision of this Agreement), that may not be arbitrated pursuant to applicable state or federal law may be heard only in a court of competent jurisdiction in Los Angeles County.

**22. AUDIT.**

A. Licensee shall keep full and accurate books and accounts with respect to the Program and Licensor shall have the right to audit and inspect said records at reasonable business hours, or to designate a representative to audit and inspect said records on Licensor's behalf. Licensee agrees that books and accounts are deemed to include all media where information is stored, including electronic media such as computer diskettes, magnetic tape, optical storage methods or any and all other formats necessary to analyze all data Licensor or Licensor's representative find necessary to analyze, review or inspect. Licensor shall have the absolute right to make copies of all data or information, regardless of what medium that data or

information may be stored upon. In the event that such examination by Licensor reveals any under-reporting or misrepresentation by Licensee of any item bearing upon the computation of the amounts payable to Licensor hereunder, Licensee agrees that in addition to recomputing and making immediate payment of the amounts due based on actual and true items together with interest thereon at the rate of two percent (2% ) plus the prime rate of interest charged by and computed on borrowings from Bank of America or the maximum rate permitted by law, whichever is least, (i) Licensee shall, in addition, pay all costs and expenses incurred by Licensor in connection with such audit including any and all attorneys' fees incurred by Licensor in connection with the enforcement and collection of such under-reported or misrepresented amounts, and (ii) notwithstanding anything to the contrary contained herein, Licensor shall have the further right to audit Licensee's books and records retroactively to the commencement of the Agreement. In the event Licensor decides to exercise this right and conduct an audit and/or an inspection of Licensee's business records, Licensor shall give Licensee at least ten (10) days advance written notice, with said audits limited to one time per calendar year. Licensee agrees that, at Licensor's own discretion, said audit and/or inspection shall be conducted by a nationally recognized firm of certified public accountants and/or by Licensor's own corporate audit department.

B. Licensee shall retain the books, accounts and records with respect to each Program or statement received by Licensor in connection therewith for three (3) years after such Program has been accounted for or such statement has been rendered unless a suit is commenced. However, nothing shall limit Licensor's rights at law in the event that Licensee shall have concealed information from or provided false information to Licensor or its auditors.

### 23. MISCELLANEOUS PROVISIONS.

A. In conflicts between any term of this Agreement and any material law, ordinance, rule or regulation, the latter shall prevail.

B. By entering into this Agreement with Licensee, Licensor does not waive any other breach or default by Licensee in connection with any other agreement. No waiver of any breach in this or any other agreement shall be a waiver of any other breach of the same or any other provision. No waiver is effective unless in writing.

C. All remedies are cumulative, and resort to one shall not preclude resort to any other at any time.

D. All notices shall be in writing and sent to the parties at addresses set forth in the Agreement or otherwise specified by the parties with notice to Licensor addressed to the attention of: Vice President, Contract Administration.

E. This Agreement contains the entire understanding of the parties regarding its subject matter and supersedes all previous written or oral understandings or representations between the parties if any.

F. This Agreement shall be construed under and governed (1) by the internal laws of the State of California applicable to contracts entered into therein without giving effect to its conflicts of the law provisions and (2) by the laws of the United States of America to the extent that those laws preempt California State law. Licensee's sole remedy for breach of any provision of this Agreement shall be an action at law for damages, it being agreed that in no event shall Licensee be entitled to injunctive or other equitable relief.

G. At no time in the past, present or future shall the relationship between Licensor and Licensee be deemed or intended to constitute an agency, partnership, joint venture, or a collaboration for the purpose of sharing any profits or ownership in comment. Except as set forth in paragraph 10.B., neither party shall have the right, power, or authority at any time to act on behalf of or to represent the other party, but each party hereto shall be separately and entirely liable for its own debts in all aspects.

H. The headings of the paragraphs of this Agreement are for convenience only and shall not in any way affect the interpretation of any provision of this Agreement.

In order for any amendment or modification to this Agreement to be binding upon Licensor, it must be in writing and signed by both parties.

**WARNER BROS. DOMESTIC TELEVISION DISTRIBUTION**

A DIVISION OF WARNER BROS. TELEVISION DISTRIBUTION INC.  
 4000 Warner Boulevard - The Triangle Building  
 Burbank, CA 91522  
 (818)954-6000

**FIELD ORDER - CASH**

LICENSEE <b>Bay City TV, Inc.</b>	STATION/AFFILIATION <b>XETV (FOX)/XUPN (UPN)</b>	DATE OF ORDER <b>5/28/2003</b>
STREET <b>8253 Ronson Road</b>	MARKET/RANK <b>San Diego, CA/26</b>	FCC CITY OF IDENTIFICATION <b>San Diego, CA</b>
CITY/STATE <b>San Diego, CA</b>	ZIP <b>92111</b>	FAX NO. <b>858-268-8351</b>
SALESPERSON <b>Mark O'Brien</b>		PHONE NO. <b>858-279-6666</b>

**MARTIN (3<sup>rd</sup> cycle)**

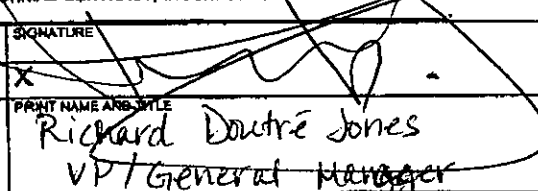
Licensee agrees to license from Licensor the right to broadcast MARTIN ("Program") for the period commencing on or before 9/16/2004 and continuing for four (4) years ("License Term") on the following basis:

FIRST RUN SERIES	ORIGINALS	OFF NETWORK SERIES
		<b>MARTIN (3<sup>rd</sup> cycle)</b>
WEEKLY LICENSE FEE	BARTER WITHIN SERIES (per day)	REPEATS
		FEATURE FILMS
SPECIAL BARTER	TOTAL	OTHER

LICENSED TIME PERIODS	NO. OF FEATURES/EPISODES	RUNS/YEARS
	<b>132 half-hours</b>	<b>8 runs over 4 years</b>
	LICENSE FEE PER FEATURE/EPISODE	TOTAL
	<b>\$ 400 per episode</b>	<b>\$ 52,800 total</b>
DELIVERY	BARTER	LICENSED TIME PERIODS
Satellite at no charge (if available). If videotape requested, Station will pay: \$30/half-hour - \$55/hour or \$125/two-hour videotape, plus shipping both ways	Station retains all 7 minutes per episode	At Station's discretion

PAYMENT/ADDITIONAL TERMS The License Term shall be for a period of four years commencing on the earlier of the first telecast of an Episode or 9/16/04. Station shall pay the total License Fee in 42 equal consecutive monthly installments commencing on the earlier of the date of the first telecast of an Episode or 9/16/04. The Program may air on XETV or XUPN, provided that each telecast on either station shall count against the total number of telecasts licensed hereunder.

CLIENT'S BROADCAST OF THE PROGRAM (INCLUDING THE REQUIRED BARTER TIME) AND PAYMENT OF THE LICENSE FEES, IF ANY, IS OF THE ESSENCE OF THIS AGREEMENT. IF THE PROGRAM CONTAINS BARTER TIME THEN WARNER RETAINS THE RIGHT TO INSERT BILLBOARDS, FEE SPOTS AND/OR CLOSED-CAPTIONING SPONSOR ANNOUNCEMENTS IN EACH OF THE EPISODES, IN ADDITION TO THE BARTER TIME. THIS AGREEMENT WILL BE CONSTRUED UNDER AND GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA IN EFFECT AS OF THE DATE HEREOF. THIS AGREEMENT SHALL BE DEEMED TO BE EXECUTED AND PERFORMED WHOLLY WITHIN THE COUNTY OF LOS ANGELES. ANY ACTION OR PROCEEDING BASED UPON OR ARISING OUT OF THIS AGREEMENT SHALL BE FILED ONLY IN THE UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA OR LOS ANGELES SUPERIOR OR MUNICIPAL COURT. IN ANY ACTION OR OTHER PROCEEDING BROUGHT TO ENFORCE ANY OF THE PROVISIONS OF THIS AGREEMENT, THE PREVAILING PARTY WILL BE ENTITLED TO RECOVER ITS REASONABLE ATTORNEYS' FEES. ANY PAYMENT NOT MADE WITHIN 30 DAYS OF ITS DUE DATE WILL BEAR INTEREST AT THE RATE OF 1 1/4% PER MONTH (OR SUCH LOWER MAXIMUM RATE, IF ANY, SPECIFIED BY CONTROLLING LAW). DIGITAL TELECASTS: CLIENT IS REQUIRED TO TELECAST THE PROGRAMMING ON ITS PRIMARY DIGITAL CHANNEL SIMULTANEOUSLY WITH ITS REQUIRED NTSC TELECASTS. THE CONTENT OF THE SIMULTANEOUS DIGITAL TELECAST OF THE PROGRAMS, INCLUDING WITHOUT LIMITATION ALL COMMERCIAL ANNOUNCEMENTS, SHALL BE IDENTICAL TO THE NTSC TELECASTS. FOR PURPOSES OF THIS PROVISION, CLIENT'S "PRIMARY DIGITAL CHANNEL" SHALL BE THE FOLLOWING: (I) IF CLIENT IS AFFILIATED WITH A BROADCAST NETWORK (INCLUDING BUT NOT LIMITED TO ABC, CBS, NBC, FOX, THE WB, UPN, FOX OR ANY OTHER NETWORK THAT OFFERS AN INTERCONNECTED PROGRAM SERVICE ON A REGULAR BASIS FOR 15 OR MORE HOURS PER WEEK TO AT LEAST 25 STATIONS IN 10 OR MORE STATES) THE SAME DIGITAL CHANNEL ON WHICH CLIENT'S PRIMARY NETWORK PROGRAMMING IS TELECAST; OR (II) IF CLIENT IS NOT AFFILIATED WITH A BROADCAST NETWORK, THE SAME DIGITAL CHANNEL ON WHICH CLIENT SIMULCASTS MORE THAN 50% OF THE TOTAL HOURS OF PROGRAMMING AVAILABLE ON ITS NTSC CHANNEL, OR (BUT ONLY IF CLIENT DOES NOT SIMULCAST AT LEAST 50% OF ITS TOTAL HOURS OF NTSC PROGRAMMING ON ONE DIGITAL CHANNEL) THE DIGITAL CHANNEL WHICH DELIVERS THE HIGHEST AVERAGE RATING AS DETERMINED BY THE A.C. NIELSEN COMPANY FOR THE 6:00 A.M. - 2:00 A.M. PERIOD WITHIN CLIENT'S DMA. A FORMAL CONTRACT, INCORPORATING WARNER STANDARD TERMS AND CONDITIONS, SHALL BE FORWARDED FOR CLIENT'S SIGNATURE TO THE ATTENTION OF

CORPORATION NAME <b>Same as above</b>	SIGNATURE 
ADDRESS <b>Same as above</b>	PRINT NAME AND TITLE <b>Richard Doustre Jones VP/General Manager</b>

**FOR OFFICE USE ONLY**

APPROVED:

CREDIT APPROVAL:

## EXHIBIT "A"

### STANDARD TERMS AND CONDITIONS

The Standard Terms and Conditions set forth below are attached to and made a part of that certain field order, license agreement or deal memorandum ("Agreement") between Licensor and Licensee as specified in the Agreement. Any references to the Agreement contained hereinbelow shall be deemed to include these Standard Terms.

As used herein, "Program" shall refer to a theatrical motion picture, a made-for-television movie and/or the pilot and/or an episode or episodes of a television series and/or television special(s), as applicable. Licensee acknowledges that each Program was individually listed and separately priced, and that Licensor offered each Program on a Program by Program basis without discrimination and without conditioning the licensing of any one Program upon the licensing of any other Program. Licensee acknowledges that it desires to acquire a license for each Program and that the license for all Programs are included in this Agreement for convenience only. In the event that the negotiations were conducted on an aggregate fee basis, Licensee acknowledges that such fee arrangement was done at its request, although it had an opportunity to negotiate on a Program by Program basis. Licensee further acknowledges that it is fully aware of Licensor's policy to afford Licensee and all other television stations, if any, in Licensee's market area, the opportunity to license any one or more of the Programs that Licensor has available for licensing in said market area, and that Licensor has actually afforded Licensee such opportunity; that Licensee is freely entering into this Agreement upon the terms herein contained; that there are no conditions or representations of any kind other than those expressly stated herein; that in licensing any one Program hereunder Licensor in no way has compelled Licensee to license any other Program; and, that no representative of Licensor has any authority to alter Licensor's policy referred to in this paragraph. Licensor and Licensee acknowledge that the possession of the right to broadcast constitutes a use of the product by Licensee. Licensor and Licensee acknowledge that the timely performance of all obligations under this Agreement is essential. Licensor's business, not only with Licensee but also with others similarly situated, requires that it be able to rely on the faithful and timely performance of all obligations of Licensee under this Agreement.

#### 1. BROADCASTING RIGHTS.

A. The Program may only be broadcast in the English language: (i) on Free TV (as defined below) up to the number of times specified in the Agreement to non-paying audiences; (ii) if the station as set forth in the Agreement ("Station") is a UHF, VHF or digital broadcast, low power, or translator television station, then only from the existing originating television transmitter of such Station; and (iii) if Station is a local cable television system, then only to the individual subscribers of the system located within the Market described in the Agreement.

B. "Free TV" means conventional, free, over-the-air VHF, UHF or digital broadcast, or cable television transmission by television broadcast stations, station groups or networks, the video and audio portions of which are intended to be intelligibly received without charge by means of a home roof-top or self-contained antenna for viewing on a television receiver set or its equivalent in the viewer's home. Neither governmental television receiver assessments or taxes, nor periodic service charges made by cable systems (other than a charge for pay television viewing) shall be considered a viewer charge.

C. Station may not authorize any broadcast to be amplified, retransmitted or relayed by any translator or booster station, satellite, community antenna system, cable television system, or any other method not expressly authorized in this Agreement. Notwithstanding the foregoing, Licensor agrees that Station may, pursuant to the provisions of the Cable Television Consumer Protection and Competition Act of 1992 and the Satellite Home Viewer Improvement Act of 1999 (collectively, the "Acts"), request or authorize any cable television system or satellite carrier, as defined in the Acts, to retransmit over its facilities, the television signal transmitted by Station, including the Program licensed hereunder.

D. Station shall broadcast the Program on its primary digital channel, if any, simultaneously with its required NTSC broadcasts. The content of the simultaneous digital broadcast of the Program, including, without limitation, all commercial advertisements, shall be identical to the NTSC broadcasts. For purposes of this provision, Station's "Primary Digital Channel" shall be the following: (i) If Station is affiliated with a broadcast network (including,

without limitation, ABC, CBS, NBC, Fox, The WB, UPN, PAX or any other network that offers an interconnected program service on a regular basis for fifteen (15) or more hours per week to at least twenty-five (25) stations in ten (10) or more states), the same digital channel on which Station's primary network programming is broadcast; or (ii) if Station is not affiliated with a broadcast network, the same digital channel on which Station simulcasts more than fifty percent (50%) of the total hours of programming available on its NTSC channel, or (but only if Station does not simulcast at least fifty percent (50%) of its total hours of NTSC programming on one digital channel) the digital channel which delivers the highest average rating as determined by the A.C. Nielsen company for the 6:00 AM - 2:00 AM period within Station's DMA.

E. Except as set forth in the Agreement, Licensor reserves all rights not licensed in each Program hereunder, including, without limitation, the right to license the Program by means of basic cable, pay cable, pay-per-view, video-on-demand, near video-on-demand, subscription video-on-demand, superstation, electronic delivery via the Internet, home video, Free TV in all languages other than English, or by any other means now known or hereafter devised. Licensor may exploit such reserved rights as Licensor sees fit without restriction.

#### 2. LICENSE TERM AND BROADCAST WINDOW(S).

A. The License Term for each Program begins on the earlier of the date of first broadcast of the Program, or the start date stated in the Agreement. The License Term for each Program shall end on the earlier of the expiration of the License Term as specified in the Agreement or the date of its last licensed broadcast. Licensor may change the start of the License Term for any Program upon timely notice to Licensee.

B. Licensee shall not change the authorized Broadcast Window(s) as set forth in the Agreement without Licensor's prior written consent. Licensee shall give Licensor two weeks prior written notice if Licensee elects to move the Program to another time period within the authorized Broadcast Window(s) as set forth in the Agreement. All time references in the Agreement are local time for Station. Unless otherwise provided for in the Agreement, Licensee shall not broadcast the Program during the prime time hours of M-Sat 8:00 PM - 11:00 PM and Sun 7:00 PM - 11:00 PM (EST/PST) or M-Sat 7:00 PM - 10:00 PM and Sun. 6:00 PM - 10:00 PM (CST/MST) during a broadcast network's license term, if any.

#### 3. CONSIDERATION.

A. CASH: Where the Agreement includes monetary payments, Licensee shall pay the amounts specified for each Program whether or not all authorized broadcasts occur. Monthly payments are due on the first of each consecutive month beginning as stated in the Agreement, continuing uninterrupted until the total license fee is paid or the last authorized broadcast, whichever is earlier.

#### B. BARTER AND OTHER CONSIDERATION:

i. Where the Agreement includes commercial time, Licensee shall provide the commercial time specified for each Program whether or not the authorized broadcasts occur. If Licensee fails to provide any required commercial time, Licensee shall at Licensor's election either promptly provide Licensor with comparable substitute commercial time in accordance with Licensor's instructions or pay Licensor the national media value for such time as determined by Licensor. Licensor and Licensee shall each be entitled to retain all revenues derived from their respective commercial advertisement time. In addition to its commercial advertisement time, Licensor shall have the right to insert billboards, fee spots and sponsor and closed-captioning announcements in each Program, in its sole discretion. Additionally, Licensor shall have the right to insert product placement into the Program. Licensee shall broadcast the Program in the order designated by Licensor for broadcast during each week, it being understood that Licensor shall determine, in its sole discretion, the episodic sequence of such Program broadcast and the number of times each such Program shall be rebroadcast. Licensee shall broadcast each Program without deletion or change in the Program or in the commercials or other content furnished by Licensor, except that Licensee may add its commercial material in the commercial positions provided by Licensor. Licensee's commitment to broadcast the Program is a firm broadcast commitment and there shall be no "warehousing" (i.e., Licensee must broadcast the Program, including Licensor's commercial time and other announcements).

ii. Licensee shall only be permitted to preempt the broadcast of a Program due to an event of urgent importance or to broadcast a unique one-time special event. In the event of such an authorized preemption, the Program shall be

rescheduled and broadcast during the current or the immediately following Monday through Sunday broadcast week within the applicable Broadcast Window or in another broadcast window pre-approved by Licensor, in its sole discretion and Licensee shall, at its own expense, insert Licensor's Barter Time and fee spots designated by Licensor for the then current broadcast day into the positions within the Program as designated by Licensor. Licensee shall comply with Licensor's requirements with respect to Barter Time and other announcements that must air on or by a certain date. Licensee shall immediately notify Licensor of a preemption and of the reason therefor. Failure to comply with the above provisions shall constitute a default by Licensee and shall entitle Licensor to all of its rights and remedies hereunder.

C. **GENERAL:** Each payment must be made to Licensor free of any off-sets, claims, taxes or other charges. Any payment not made within thirty (30) days of its due date shall bear interest at the rate of one and one-half percent (1 1/2%) per month (or such lower maximum rate, if any, specified by controlling law). Acceptance of any payment after its due date shall not constitute a waiver by Licensor of any of its rights except as to such payment. Timely payment and/or provision of all commercial time is/are of the essence of this Agreement, and is an express condition precedent to Licensee's right to exercise any broadcasting rights in any Program.

#### 4. USAGE REPORTS AND AFFIDAVITS.

A. Where the Agreement includes License Fee(s) as the only form of remuneration payable from Licensee to Licensor, Licensee shall give Licensor notice in writing of the date on which Licensee intends to broadcast the Program by no later than thirty (30) days prior to the date of such scheduled broadcast.

B. Licensee shall, within thirty (30) days following each broadcast hereunder, furnish Licensor with an affidavit of performance which shall certify the date, time and place of each broadcast and any of Licensor's commercial and other announcements included in such broadcast. Affidavits shall be sent to: Director of Clearance Validation, 4000 Warner Boulevard, Building 118, Room 4004, Burbank, CA 91522. In the event of a preemption, Licensee shall immediately notify Licensor of the reason therefor and shall furnish to Licensor an affidavit certified as correct by an officer of Licensee that such preempted Program (listed by name) and Licensor's commercial inventory and all other announcements (listed by commercial ID number) contained therein were actually broadcast during the make good period as set forth in Paragraph 3B(ii) above and the respective date(s) and time(s) of any such broadcast(s). Licensee acknowledges that the receipt of said affidavits is essential in order for Licensor to collect from its advertisers the compensation due to Licensor by virtue of the sale of Licensor's commercial time in the Program. Therefore, any failure by Licensee to furnish said affidavits in a timely manner as set forth herein shall be deemed a material breach of the Agreement and shall entitle Licensor to exercise all of its rights and remedies set forth in the Agreement, including, without limitation, all of Licensor rights and remedies at law and in equity.

#### 5. DELIVERY AND RETURN OF MATERIALS.

A. Licensor shall deliver materials for the Program ("Materials") as specified in the Agreement. If no Materials are specified, Licensor shall notify Licensee of the Materials to be delivered as well as the method of delivery promptly after Licensor receives notice from Licensee of a scheduled broadcast date. Where the Agreement includes License Fee(s) as the only form of remuneration payable from Licensee to Licensor, Licensor requires at least thirty (30) days notice of the scheduled broadcast date of any Program. If less than thirty (30) days notice is given, Licensor shall not be responsible for late delivery.

B. For any Program delivered on tape, Licensor shall make available said Program on a 1", 3/4" or Beta SP videotape format, or as otherwise specified in the Agreement. Licensor's delivery shall be complete when Licensor has either physically delivered the Program to Licensee or its agent, or has given the Program to Licensor's carrier f.o.b. its place of shipment. If Licensor delivers any Program and/or commercial reel via tape, Licensee shall pay the cost as determined by Licensor for each such tape, payable upon receipt of Licensor's invoice therefore. Licensee shall pay all costs of delivery, including shipping, handling and insurance.

C. For any booking Program ("Booking Program") obtained by Licensee for the purpose of dubbing onto Licensee's tape stock, (i.e., book and dub) Licensee shall pay the cost of shipping said Booking Program to it and, within three (3) days and at its own expense, return or transship said Booking Program to any address specified by Licensor. Additionally, any Booking Program must be returned in the

same condition as it was received (allowing for normal wear and tear) or Licensee shall be held responsible for the cost to duplicate an identical Booking Program.

D. Licensee shall be responsible for the maintenance, storage, shipping, handling and insurance costs of any library Program ("Library Program") licensed by Licensee. Upon completion of contracted broadcasts or at the end of the License Term, whichever comes first, Licensee shall, at its option and expense, either return said Library Program to Licensor at an address specified by Licensor or destroy said Library Program and immediately issue a certificate of destruction for each Library Program.

E. Licensee may not allow copying except to permit an authorized broadcast or part with the possession of any Program except for return shipment per the Agreement.

F. If delivery is by satellite, Licensor shall be responsible for all "uplinking" transmission costs, and Licensee shall be responsible for arranging to receive the satellite transmission and for all "downlinking" reception costs. Licensee's failure to make suitable "downlinking" arrangements, or failure to receive any Program due to technical "downlink" or reception failure shall not affect Licensee's obligations hereunder. Where the Program includes commercial time or other announcement time, Licensee shall destroy any tape of such Program immediately after the broadcast for which the satellite feed was intended, at its expense. For all other Programs, Licensee shall destroy any tape of such Program on the earlier of Licensor's last authorized broadcast or the end of the License Term, at its expense.

#### 6. EXAMINATION OF MATERIALS.

A. Licensee shall examine all Materials immediately after their receipt. If any Materials are unsuitable Licensee shall immediately notify Licensor who, at Licensor's option, shall furnish suitable replacements of the Program in question or grant a proportionate credit with respect to the portion of the License Fee allocable to the Program, it being acknowledged that Licensor shall have no other obligation or liability to Licensee whatsoever. A Program shall be deemed suitable unless notice of defect is given within three (3) business days following receipt. Licensor shall not be deemed to be in breach of the Agreement as a result of any defect or unsuitability of any Materials.

B. All materials which Licensee produces for the broadcast of any Program shall become the property of Licensor. Following the broadcast for which they were produced, Licensee shall, at its option and expense, either return said materials to Licensor at an address specified by Licensor or destroy such materials and immediately issue a certificate of destruction.

#### 7. RESTRICTIONS ON ALTERATIONS.

A. Licensee, at its own expense, may only insert commercials in the Program in the spaces designated by Licensor, and not in a manner which adversely affects a Program's artistic or pictorial quality. All commercials inserted by Licensee must be removed without damage before the Program is returned. A "cut in" fee may not be charged.

B. Except for inserting commercials, Licensee may not alter or serialize any Program. Licensee may not delete or alter the copyright notice, trademark notice or credits in any Program.

C. Licensee shall not alter any Material provided to Licensee by Licensor without Licensor's prior permission, including, but not limited to, print ads, radio, television or cable spots.

#### 8. ADVERTISING AND BILLING. USE OF NAMES AND LIKENESSES.

Licensor shall furnish Licensee such promotional and advertising Materials for use by Station as Licensor may have available and appropriate for use hereunder. Licensee shall use its best efforts to promote Licensee's broadcast of the Program. Licensee warrants and agrees that (i) it shall comply with Licensor's advertising and billing requirements and Licensor's limitations on the use of the names and likenesses of the actors and characters for each Program, as notified; (ii) none of its advertising or billing shall infringe on the rights of others or constitute an express or implied endorsement of any product, service or sponsor, other than the Program itself; (iii) it shall not advertise any title changed by Licensor or Program withdrawn by Licensor; (iv) Licensee, its sponsors and advertisers shall abide by and comply with the screen billing in the same form as it appears in the Program, that is, all advertising shall give cast and other credits in the same manner, position and relative size and prominence of type as those credits appear in the main title of the respective Program; (v) it shall not create, develop, extract or excerpt from the Program to advertise and promote the Program; (vi) it shall



comply with all Collective Bargaining Agreements concerning advertising and promotion requirements with respect to any Program; (vii) no authorized excerpt from any Program may exceed two (2) minutes in length; (viii) it shall not promote the Program via the Internet without Licensor's approval; and (ix) it shall indemnify Licensor against all costs, damages, and expenses, including but not limited to reasonable attorneys' fees incurred by or caused to Licensor by reason of any actual or alleged breach by Licensee of the provisions of this paragraph.

9. **MUSIC.** Licensor represents that, to the best of its knowledge, the non-dramatic television performing rights in the music embodied in each Program: (a) are controlled by BMI, ASCAP, SESAC, or other performing rights society having authority over Licensee's broadcast of the Program; (b) are in the public domain; or (c) are controlled by Licensor to the extent necessary to permit Licensee's broadcast of each Program. Upon request Licensor shall furnish Licensee with available music cue sheets for any Program. With regard to music in category (a), Licensee shall at its own expense obtain any licenses required to broadcast or perform any such music.

#### 10. **TAXES, ROYALTIES AND FEES.**

A. Licensee shall pay all taxes (including without limitation sales, use, VAT and remittance), duties, and any other charges, including interest and penalties, now or later imposed on or resulting from the license, rental, delivery, broadcast, possession or use by Station of any Program. To the extent that any such taxes, duties and any other charges (or penalties or interest thereon) are paid by Licensor, Licensor shall reimburse Licensor therefor on demand.

B. **ROYALTIES AND FEES:** Any royalties or fees which may be paid to or received by Licensee by virtue of any statute, governmental regulation, by operation of law or in any other manner on account of private recording or amplification, retransmission, or relaying of the Program on any station, translator, repeater, satellite, cable television system, relay broadcasts, network simultaneous transmission or otherwise shall belong to Licensor, and if received by Licensee, shall be held by Licensee as agent and/or trustee for Licensor and shall be promptly paid over to Licensor. In addition, Licensee hereby assigns to Licensor for the Program licensed hereunder all of Licensee's right and interest to any royalty payments to which Licensee may be entitled pursuant to Section 111(d) of the Copyright Revision Act of 1976 ("Copyright Act"), or similar legislation that may hereafter be enacted, and Licensor may, for Licensor's own interests and the interests of Licensee, make whatever application is necessary to petition for such royalty payments. Licensee agrees to do all such acts and execute all such documents as Licensor may hereafter require in order to comply with the requirements of the Copyright Act, and Licensee hereby appoints Licensor as Licensee's attorney-in-fact and duly authorized agent to do all such acts and execute all such documents on its behalf if Licensee shall fail to do so within one month of any request. Licensee acknowledges that the foregoing power-of-attorney is deemed coupled with an interest.

#### 11. **SUSPENSION AND WITHDRAWAL.**

A. Licensor may, in its sole discretion, either suspend delivery or broadcast of any Program temporarily or withdraw any Program permanently if Licensor determines that the broadcasting thereof would or might: (i) infringe the rights of others; (ii) violate any law, court order, government regulation or other ruling of any governmental agency; or (iii) subject Licensor to any liability or litigation. Furthermore, Licensor may withdraw any Program (i) if Licensor determines that the rights to the literary, dramatic or musical material upon which said Program is based have expired or may expire during its License Term; (ii) if Licensor determines that Licensor's materials are unsuitable for making broadcast quality prints, tapes, cassettes or discs; or (iii) due to Force Majeure (as defined below).

B. Licensee shall not be entitled to claim damages for any suspension. If any suspension lasts for more than six (6) consecutive months, either party may terminate this Agreement with respect to the suspended Program on ten (10) days notice. If not so terminated then the License Term for the suspended Program may, in Licensor's sole discretion, be extended for the length of each suspension, but not beyond the expiration of Licensor's right to license the suspended Program to Licensee.

C. If any Program is withdrawn or this Agreement is terminated with respect to any Program after a suspension period, then Licensee shall be entitled, at Licensor's election, to: (i) a substitute Program of comparable quality to the withdrawn Program; or (ii) receive an equitable proportion as allocated by Licensor

of any amounts paid. Licensee's sole remedy shall be one of the remedies set forth in this subparagraph, except as provided in Paragraph 12.

D. "Force Majeure" means any fire, flood, earthquake, or public disaster; strike or labor dispute; unavailability of any major talent committed to the Program; unavoidable accident; breakdown of electrical or sound equipment; failure to timely perform by any laboratory or supplier; delay or lack of transportation; embargo, riot, war (whether or not declared), insurrection or civil unrest; any Act of God; any act of any legally constituted authority; or any other cause beyond the reasonable control of Licensor.

12. **TERMINATION OF PRODUCTION.** If production or delivery of the Program is terminated for any reason during the License Term, Licensor upon ten (10) days notice to Licensee may cancel this Agreement without further liability to Licensor. License fees shall be prorated to the effective date of termination. Licensee's barter obligation, if any, shall continue until the effective date of termination.

13. **EARLY TERMINATION.** Where the Agreement includes License Fee(s) as the only form of remuneration payable from Licensee to Licensor, at such time as the number of remaining unplayed telecasts equals twenty percent (20%) or less of the total number of telecasts licensed hereunder or at such time as eighteen (18) months or less remain of the License Term, Licensor may terminate the Agreement on thirty (30) days notice. In such event Licensor shall pay to Licensee (or credit Licensee's account with Licensor if such account is in arrears) an amount equal to the proportionate percentage of the unplayed telecasts to the total License Fee as allocated by Licensor.

#### 14. **DEFAULT.**

A. Licensee shall be deemed in default if: (i) Licensee fails to pay its debts when due; (ii) Licensee seeks relief under any bankruptcy law or similar provision for the protection of debtors; (iii) Licensee fails to make any payment in accordance with the terms of this Agreement and such failure continues for a period of ten (10) days; (iv) Licensee is in breach of or breaches any provision of this Agreement or any other agreement between Licensee and Licensor or any affiliate of Licensor; (v) Licensee attempts to make any assignment, transfer or sublicense of this Agreement without Licensor's consent as provided in Paragraph 20A; (vi) Licensee and/or Station ceases or suspends operations; or (vii) Licensee loses control of, whether voluntarily or otherwise, the Station, its interest therein, or its license to operate the Station.

B. In the event of a default by Licensee, Licensor may terminate this Agreement or any other agreement between Licensee and Licensor or any affiliate of Licensor and/or proceed against Licensee for legal and equitable relief and/or may suspend delivery of the Program and declare the License Fee (and any additional sums payable under the Agreement) immediately due and payable to Licensor regardless of the due date thereof. Upon Licensee's receipt of notice of default, Licensee shall return all Materials in Licensee's possession or under Licensee's control to Licensor immediately.

C. Default by Licensor is limited to the particular Program to which the default applies. No default by Licensor as to one Program shall be a default as to any other Program. Licensee shall promptly give Licensor written notice of any claimed default and Licensor shall have twenty (20) days after its receipt of such notice to commence and diligently pursue cure of such default. Only if Licensor fails to do so, may Licensee proceed against Licensor for available relief; provided that Licensee's sole remedy for breach of any provision of this Agreement shall be an action at law for damages, it being agreed that in no event shall Licensee be entitled to injunctive or other equitable relief.

15. **INSOLVENCY.** The parties hereby agree and intend that this Agreement is an executory contract governed by Section 365 of the U.S. Bankruptcy Code ("Bankruptcy Code"). In the event of Licensee's bankruptcy, the parties intend that any royalties payable under this Agreement during the bankruptcy period be deemed administrative claims under the Bankruptcy Code because the parties recognize and agree that the bankruptcy estate's enjoyment of this Agreement will (i) provide a material benefit to the bankruptcy estate during its reorganization and (ii) deny Licensor the benefit of the exploitation of the rights through alternate means during the bankruptcy reorganization. The parties acknowledge and agree that any delay in the decision of the trustee of the bankruptcy estate to assume or reject the Agreement (the "Decision Period") materially harms Licensor by interfering with Licensor's ability to alternatively exploit the rights granted under this Agreement during a Decision Period of uncertain duration. The parties recognize that arranging appropriate alternative

exploitation would be a time consuming and expensive process and that it is unreasonable for Licensor to endure a Decision Period of extended uncertainty. Therefore, the parties agree that the Decision Period shall not exceed sixty (60) days. Licensor, in its interest to safeguard its valuable interests (including, without limitation, its intellectual property rights in the licensed property), has relied on the particular skill and knowledge base of Licensee. Therefore, the parties acknowledge and agree that in a bankruptcy context this Agreement is a license of the type described by Section 365(c)(1) of the Bankruptcy Code and may not be assigned without the prior written consent of the Licensor.

**16. LICENSOR'S WARRANTIES.** Licensor represents and warrants that:

A. Except with respect to any material added by Licensee and except with respect to music which is specifically provided for herein, it has authority to license rights specified in this Agreement.

B. No exercise of rights granted to Licensee in any Program shall: (i) infringe any third party's copyright, trademark or other property right; or (ii) defame or violate any right of privacy or infringe any personal right of any third party.

C. Licensor shall advise Licensee of information, of which it has actual knowledge, concerning any matter included in the Program for which any money, service or other valuable consideration was paid, or accepted. This shall not include services or property furnished without charge, or at a nominal charge, for use on a Program unless it is furnished in consideration for an identification in the Program of any person, product, services, trademark, or brand name beyond an identification which is reasonably related to the use of the service or property in such Program.

**17. INDEMNITIES.**

A. Licensor shall indemnify and hold harmless Licensee (including its officers, directors, employees and agents) against any damages awarded in any final judgment entered against Licensee (other than for loss of profits or consequential damages sustained by Licensee) or settlement approved by Licensor, due to Licensor's breach of any of its representations or warranties, provided, however, prompt detailed written notice of claim of such breach or warranty is given by Licensee to Licensor. Licensor shall have full control over the defense and/or settlement of any claim or litigation including the right to engage its own counsel. Licensee shall cooperate fully with Licensor in the defense or settlement of any such claim or litigation.

B. Licensee shall indemnify and hold harmless Licensor (including its officers, directors, employees and agents) against all claims and expenses (including reasonable attorneys' fees) and liabilities arising from or as the result of (i) Licensee's failure to abide by any restriction on the exercise of any rights granted; (ii) any breach of any of Licensee's obligations, representations or warranties set out in this Agreement; or (iii) the broadcasting of any material in connection with or relating to the Program other than material contained in the Program as delivered by Licensor.

**18. INABILITY TO BROADCAST.** If, without Licensee's fault, Licensee is unable to broadcast the Program for thirty (30) or more continuous days by reason of any Act of God, governmental action, war (whether or not declared), flood, fire or public emergency, then Licensor may, in its sole discretion, extend the License Term with respect to any affected Program for the duration of any such period but not beyond the expiration of Licensor's right to license the Program to Licensee. This extension shall not increase Licensee's time to make payments. Licensor may suspend the delivery of Materials during any extension. If Licensee's inability to broadcast continues for more than six (6) months, then Licensor may terminate this Agreement and give Licensee an equitable adjustment of the total License Fee applicable to the Program not broadcast as allocated by Licensor.

**19. EXCLUSIVITY.** Licensor agrees that during the License Term it shall not license any Program in the English language:

(i) For broadcast by any other television station located in a community located less than thirty-five (35) miles away from the Station's respective reference point, as determined pursuant to the rules and regulations of the F.C.C. as of the date of this Agreement (see 47 CFR Section 76.53), provided that such exclusivity shall not preclude network broadcasts of the Program during the License Term; or

(ii) For local origination cablecasting by any cable television system operating within the "specified zone" of the Station's designated community in its Market as defined in the rules and regulations of the F.C.C. as of the date of the Agreement (see 47 CFR Section 76.5(e)).

**20. ASSIGNMENT.**

A. This Agreement is personal to Licensee. Licensee may not assign or transfer this Agreement, or sublicense or use an agent to exploit any of the rights granted to Licensee, whether voluntarily or involuntarily, without Licensor's prior written consent. An assignment or transfer of a controlling interest in Licensee's capital stock or other evidence of ownership shall require Licensor's consent. If Licensor does consent then this Agreement shall be binding on such authorized assignee, transferee, sublicensee or agent but shall not release Licensee of any of its obligations under this Agreement. Nothing in this paragraph shall release Licensee or its successors in interest from fulfilling Licensee's obligations hereunder.

B. Licensor may assign, transfer or sublicense any of its rights under this Agreement, but no such assignment, transfer or sublicense relieves Licensor of its obligations.

**21. DISPUTE RESOLUTION.**

A. Any and all controversies, claims or disputes arising out of or related to this Agreement or the interpretation, performance or breach thereof, including, but not limited to, alleged violations of state or federal statutory or common law rights or duties, and the determination of the scope or applicability of this agreement to arbitrate ("Dispute"), except as set forth in subparagraphs C and D, below, shall be resolved according to the procedures set forth in subparagraph B, below, which shall constitute the sole dispute resolution mechanism hereunder:

B. **ARBITRATION:** In the event that the parties are unable to resolve any Dispute informally, then such Dispute shall be submitted to final and binding arbitration. The arbitration shall be initiated and conducted according to either the JAMS Streamlined (for claims under \$250,000) or the JAMS Comprehensive (for claims over \$250,000) Arbitration Rules and Procedures, except as modified herein, including the Optional Appeal Procedure, at the Los Angeles office of JAMS, or its successor ("JAMS") in effect at the time the request for arbitration is made (the "Arbitration Rules"). The arbitration shall be conducted in Los Angeles County before a single neutral arbitrator appointed in accordance with the Arbitration Rules. The arbitrator shall follow California law and the Federal Rules of Evidence in adjudicating the Dispute. The parties waive the right to seek punitive damages and the arbitrator shall have no authority to award such damages. The arbitrator shall provide a detailed written statement of decision, which shall be part of the arbitration award and admissible in any judicial proceeding to confirm, correct or vacate the award. Unless the parties agree otherwise, the neutral arbitrator and the members of any appeal panel shall be former or retired judges or justices of any California state or federal court with experience in matters involving the entertainment industry. If either party refuses to perform any or all of its obligations under the final arbitration award (following appeal, if applicable) within thirty (30) days of such award being rendered, then the other party may enforce the final award in any court of competent jurisdiction in Los Angeles County. The party seeking enforcement shall be entitled to an award of all costs, fees and expenses, including attorneys' fees, incurred in enforcing the award, to be paid by the party against whom enforcement is ordered.

C. **INJUNCTIVE RELIEF:** Notwithstanding the foregoing, either party shall be entitled to seek injunctive relief (unless otherwise precluded by any other provision of this Agreement) in the state and federal courts of Los Angeles County.

D. **OTHER MATTERS:** Any Dispute or portion thereof, or any claim for a particular form of relief (not otherwise precluded by any other provision of this Agreement), that may not be arbitrated pursuant to applicable state or federal law may be heard only in a court of competent jurisdiction in Los Angeles County.

**22. AUDIT.**

A. Licensee shall keep full and accurate books and accounts with respect to the Program and Licensor shall have the right to audit and inspect said records at reasonable business hours, or to designate a representative to audit and inspect said records on Licensor's behalf. Licensee agrees that books and accounts are deemed to include all media where information is stored, including electronic media such as computer diskettes, magnetic tape, optical storage methods or any and all other formats necessary to analyze all data Licensor or Licensor's representative find necessary to analyze, review or inspect. Licensor shall have the absolute right to make copies of all data or information, regardless of what medium that data or

information may be stored upon. In the event that such examination by Licensor reveals any under-reporting or misrepresentation by Licensee of any item bearing upon the computation of the amounts payable to Licensor hereunder, Licensee agrees that in addition to recomputing and making immediate payment of the amounts due based on actual and true items together with interest thereon at the rate of two percent (2% ) plus the prime rate of interest charged by and computed on borrowings from Bank of America or the maximum rate permitted by law, whichever is least, (i) Licensee shall, in addition, pay all costs and expenses incurred by Licensor in connection with such audit including any and all attorneys' fees incurred by Licensor in connection with the enforcement and collection of such under-reported or misrepresented amounts, and (ii) notwithstanding anything to the contrary contained herein, Licensor shall have the further right to audit Licensee's books and records retroactively to the commencement of the Agreement. In the event Licensor decides to exercise this right and conduct an audit and/or an inspection of Licensee's business records, Licensor shall give Licensee at least ten (10) days advance written notice, with said audits limited to one time per calendar year. Licensee agrees that, at Licensor's own discretion, said audit and/or inspection shall be conducted by a nationally recognized firm of certified public accountants and/or by Licensor's own corporate audit department.

B. Licensee shall retain the books, accounts and records with respect to each Program or statement received by Licensor in connection therewith for three (3) years after such Program has been accounted for or such statement has been rendered unless a suit is commenced. However, nothing shall limit Licensor's rights at law in the event that Licensee shall have concealed information from or provided false information to Licensor or its auditors.

### 23. MISCELLANEOUS PROVISIONS.

A. In conflicts between any term of this Agreement and any material law, ordinance, rule or regulation, the latter shall prevail.

B. By entering into this Agreement with Licensee, Licensor does not waive any other breach or default by Licensee in connection with any other agreement. No waiver of any breach in this or any other agreement shall be a waiver of any other breach of the same or any other provision. No waiver is effective unless in writing.

C. All remedies are cumulative, and resort to one shall not preclude resort to any other at any time.

D. All notices shall be in writing and sent to the parties at addresses set forth in the Agreement or otherwise specified by the parties with notice to Licensor addressed to the attention of: Vice President, Contract Administration.

E. This Agreement contains the entire understanding of the parties regarding its subject matter and supersedes all previous written or oral understandings or representations between the parties if any.

F. This Agreement shall be construed under and governed (1) by the internal laws of the State of California applicable to contracts entered into therein without giving effect to its conflicts of the law provisions and (2) by the laws of the United States of America to the extent that those laws preempt California State law. Licensee's sole remedy for breach of any provision of this Agreement shall be an action at law for damages, it being agreed that in no event shall Licensee be entitled to injunctive or other equitable relief.

G. At no time in the past, present or future shall the relationship between Licensor and Licensee be deemed or intended to constitute an agency, partnership, joint venture, or a collaboration for the purpose of sharing any profits or ownership in common. Except as set forth in paragraph 10.B., neither party shall have the right, power, or authority at any time to act on behalf of or to represent the other party, but each party hereto shall be separately and entirely liable for its own debts in all aspects.

H. The headings of the paragraphs of this Agreement are for convenience only and shall not in any way affect the interpretation of any provision of this Agreement.

In order for any amendment or modification to this Agreement to be binding upon Licensor, it must be in writing and signed by both parties.

SYNDICATION LICENSE AGREEMENT  
THE FRESH PRINCE OF BEL-AIR (3<sup>rd</sup> cycle)

Contract No.:                     S5 00027                    

Date:                     July 22, 2002                    

This Agreement is entered into between Bay City TV, Inc., licensee of television station XETV (Channel 6), with an address of 8253 Ronson Road, San Diego, CA 92111 ("Station"), and Telepictures Distribution, a division of Time Warner Entertainment Company, L.P., with an address of 4000 Warner Boulevard, Triangle Building, Burbank, California 91522 ("Telepictures").

Telepictures hereby agrees to license to Station the Free TV (as defined in paragraph 1.B of Exhibit "A") syndication rights in and to certain episodes ("Episodes") of the television series currently entitled "THE FRESH PRINCE OF BEL-AIR" ("Series"), in the San Diego, CA market upon the following terms and conditions:

- A. **Licensed Episodes:** One hundred forty-eight (148) Episodes. Each Episode shall be formatted for a total of seven (7) minutes of commercial announcement time, which Station shall retain for its own use.
- B. **License Term:** Commencing on the earlier of Station's first telecast of an Episode hereunder or on September 12, 2003 ("Start Date"), and ending four (4) years from earlier of Station's first telecast of an Episode hereunder or from September 12, 2003.
- C. **Number of Broadcasts:** Not more than eight (8) per Licensed Episode.
- D. **Time Period:** At Station's discretion.
- E. **License Fee:** Station shall pay a total License Fee of \$148,000.00 in thirty-five (35) consecutive monthly installments of \$4,111.00 each, plus one (1) final installment of \$4,115.00, the first of which installments shall become due and payable on the earlier of Station's first telecast of an Episode hereunder or September 1, 2003.
- F. **Materials:** Station may use the videotapes of the Episodes that Station has in its possession, or Telepictures will, at Station's option; either (i) deliver the Episodes via satellite (if available) at no charge to Station; or (ii) deliver the Episodes via videotape on a book and dub basis at a service charge of \$30.00 per Episode. All costs of delivery, including shipping, handling and insurance, will be paid by Station.
- G. **Early Termination:** At such time as the number of remaining unplayed telecasts equals twenty percent (20%) or less of the total number of telecasts licensed hereunder or at such time as nine (9) months or less remain of the License Term, Telepictures may terminate this Agreement on thirty (30) days notice. In such event Telepictures shall pay to Station (or credit Station's account with Telepictures if such account is in arrears) an amount equal to the proportionate percentage of the unplayed telecasts to the total license fee.

- H. **Exclusivity:** The terms of exclusivity are as set forth in paragraph 18 of the Standard Terms and Conditions attached hereto as Exhibit "A"; it being understood and agreed, however, that no exclusivity is provided hereunder against any exhibitions of the Episodes by any national cable channel.
- I. **Special Provisions:** Station may broadcast the Episodes on XETV and/or XUPN (Channel 49), provided that each run on either station shall count against the total number of runs licensed hereunder.
- J. **Terms and Conditions:** The Standard Terms and Conditions for the licensing of the Series are attached hereto as Exhibit "A" and incorporated herein by reference; however, in the event of any inconsistencies, the terms of this Agreement shall control.

In confirmation of the foregoing the parties affix their signatures below:

AGREED TO AND ACCEPTED:

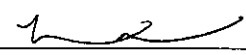
Bay City TV, Inc.

(Station)

By: 

Its: VP/GM

TELEPICTURES DISTRIBUTION, a division of Time Warner Entertainment Company, L.P.

By: 

Roxanne Modjallal  
Vice President, Finance

Its: \_\_\_\_\_

STANDARD TERMS AND CONDITIONS - THE FRESH PRINCE OF BEL-AIR (3<sup>rd</sup> cycle)4. TELECASTING RIGHTS.

A. Episodes may only be telecast: (i) on Free TV up to the number of times specified in the Syndication License Agreement to which these Standard Terms and Conditions are attached ("Agreement") to non-paying audiences; (ii) if the Station ("Station") is a UHF or VHF broadcast, low power, or translator television station, only from the existing originating television transmitter of the Station specified in the Agreement; and (iii) if the Station is a local cable television system, then only to individual subscribers of the system located within the Market described in the Agreement.

B. "Free TV" means over-the-air VHF or UHF broadcast, or cable television transmission, causing program reception on a home television receiver or like device free of charge to the viewer. Neither governmental television receiver assessments or taxes, nor periodic service charges made by cable systems (other than a charge for pay television viewing) will be considered a viewer charge.

C. Station may not authorize any telecast to be amplified, retransmitted or relayed by any translator or booster station, satellite, community antenna system, cable television system, or any other method not expressly authorized in this Agreement.

D. Telepictures reserves all rights in each Episode not licensed hereunder. Telepictures may exploit such reserved rights as Telepictures sees fit without restriction.

2. TERM. The License Term for each Episode begins on the earlier of the date of first telecast of the Episode, or the Start Date stated in the Agreement. The License Term for each Episode will end on the earlier of the expiration of the License Term as specified in the Agreement or the date of its last licensed telecast.

3. COMPENSATION TERMS.

A. CASH: Where the Agreement includes monetary payments, Station will pay amounts specified for each Episode whether or not all authorized telecasts occur. Monthly payments are due on the first of each consecutive month beginning as stated in the Agreement, continuing uninterrupted until the total license fee is paid or the last authorized telecast, whichever is earlier.

B. BARTER: Where the Agreement includes commercial time, Station will provide the commercial time specified for each Episode whether or not the authorized telecasts occur. If Station fails to provide any required commercial time, Station will, at Telepictures' election either promptly provide Telepictures with comparable substitute commercial time or pay Telepictures a fair dollar value for such time.

C. GENERAL: Each payment must be made to Telepictures free of any off-sets, claims, taxes or other charges. Any payment not made within thirty (30) days of its due date will bear interest at the rate of one and one-half percent (1 1/2%) per month (or the lower maximum rate, if any, specified by controlling law). Timely payment or provision of all commercial time is of the essence of this Agreement, and is an express condition precedent to Station's right to exercise any telecasting rights in any Episode.

4. USAGE REPORTS. Station will notify Telepictures within ten (10) days after the end of each month regarding the title and dates of telecast of each Episode telecast during the preceding month. Station will furnish Telepictures with an affidavit of performance with respect to telecast of any of Telepictures' commercial announcements.

5. DELIVERY AND RETURN OF MATERIALS.

A. Telepictures will deliver materials for the Episodes as specified in the Agreement. If no materials are specified, Telepictures will notify Station of the materials to be delivered as well as the method of delivery promptly after Telepictures receives notice from Station of a scheduled telecast date. Telepictures requires at least thirty (30) days notice of the scheduled telecast date of any Episode. If less than thirty (30) days notice is given, Telepictures will not be responsible for late delivery.

B. For any Episode delivered on tape, Telepictures will make available said Episodes on a 1" or 3/4" videotape format as specified in the Agreement. Telepictures' delivery will be complete when Telepictures has either physically delivered the Episode to Station or its agent, or has given the Episode to Telepictures' carrier f.o.b. place of shipment.

C. For any Booking Episode obtained by Station for the purpose of dubbing onto Station's tape stock, (i.e., book and dub) Station will pay the cost of shipping said Booking Episode to it and, within 3 days and at its own expense, return or transship said Booking Episode to any address specified by Telepictures. Additionally, any Booking Episode must be returned in the same condition as it was received (allowing for normal wear and tear) or Station shall be held responsible for the cost to duplicate an identical Booking Episode.

D. Station will be responsible for the maintenance, storage and shipping (including shipping costs of any Library Episode purchased by Station. Upon completion of contracted telecasts or at the end of the License Term, whichever comes first, Station will, at its option and expense, either return said Library Episode to

Telepictures at an address specified by Telepictures or provide Telepictures with a Certificate of Destruction for each Library Episode in said Library.

E. Station may not allow copying except to permit an authorized telecast or part with the possession of any Episode except for return shipment per the Agreement.

6. MATERIALS.

A. Station will examine all materials immediately after their receipt. If any are unsuitable Station will immediately notify Telepictures who will then furnish suitable replacements. An Episode will be deemed suitable unless notice of defect is given within three (3) business days following receipt.

B. All materials which Station produces for the telecast of any Episode will become the property of Telepictures. At the end of the License Term Station will ship them to the location designated by Telepictures.

7. RESTRICTIONS ON ALTERATIONS.

A. Station, at its own expense, may insert commercials in the Episode(s) but not in a manner which adversely affects an Episode's artistic or pictorial quality. All commercials inserted by Station must be removed without damage before the Episode is returned. A "cut in" fee may not be charged.

B. Except for inserting commercials, Station may not alter or serialize any Episode. Station may not delete or alter the copyright notice, trademark notice or credits in any Episode. Where Telepictures has provided commercial time, Station will telecast each Episode with commercial(s) provided by Telepictures.

C. Station will not alter any material provided to Station by Telepictures without Telepictures' prior permission, including, but not limited to, print ads, radio, television or cable spots. Nothing in the Agreement shall be construed to limit Telepictures' right to insert billboards, fee spots, and close-captioning sponsor announcements in the Episode(s), in addition to commercial time set forth in any barter provisions of the Agreement, and Telepictures specifically reserves such right.

8. ADVERTISING AND BILLING. USE OF NAMES AND LIKENESSES. Station will comply with Telepictures' advertising and billing requirements and Telepictures' limitations on the use of the names and likenesses of the actors and characters for each Episode, as notified. None of Station's advertising or billing will, (i) infringe on the rights of others; or (ii) constitute an endorsement of any product, service or sponsor, other than the Episode itself. Station will not advertise any Episode withdrawn by Telepictures. No authorized excerpt from any Episode may exceed three (3) minutes or 7500 feet in length.

9. MUSIC. Telepictures represents that the non-dramatic television performing rights in the music embodied in each Episode: (a) are controlled by BMI, ASCAP, SESAC, or other performing rights society having authority over Station's telecast of the Episode; (b) are in the public domain; or (c) are controlled by Telepictures to the extent necessary to permit Station's telecast of each Episode. Upon request Telepictures will furnish Station with available music cue sheets for any Episode. With regard to music in category (a), Station will at its own expense obtain any licenses required to telecast or perform any such music.

10. TAXES. Station will pay all taxes (including without limitation sales, use, VAT and remittance), duties, and any other charges, including interest and penalties, now or later imposed on or resulting from the license, rental, delivery, telecast, possession or use by Station of any Episode.

11. SUSPENSION AND WITHDRAWAL.

A. Telepictures may either suspend delivery or telecast of any Episode or withdraw any Episode: (a) if Telepictures determines that its telecast might infringe the rights of others, violate any law, or subject Telepictures to any liabilities; (b) if Telepictures determines that its materials are unsuitable for making telecast quality prints, tapes, cassettes or discs; (c) due to Force Majeure.

B. Station will not be entitled to claim damages for any suspension. If any suspension lasts for more than six (6) consecutive months, either party may terminate this Agreement with respect to the suspended Episode on ten (10) days' notice. The License Term for the suspended Episode will be extended for the length of each suspension.

C. If any Episode is withdrawn or this Agreement is terminated with respect to an Episode after a suspension period, then Telepictures shall return an equitable proportion of any amounts paid. Station's sole remedy will be to receive such refund except as provided in Paragraph 12.

D. "Force Majeure" means any fire, flood, earthquake, or public disaster; strike or labor dispute; unavailability of any major talent committed to the Episode; unavoidable accident; breakdown of electrical or sound equipment; failure to timely perform by any laboratory or supplier; delay or lack of transportation; embargo, riot, war, insurrection or civil unrest; any Act of God; any act of any legally constituted authority; or any other cause beyond the reasonable control of Telepictures.

12. **TERMINATION OF PRODUCTION.** If production or delivery of the episodes is terminated for any reason during the License Term, Telepictures upon ten (10) days notice to Station may cancel this Agreement without further liability to Telepictures. License fees shall be prorated to the effective date of termination; Station's barter obligation, if any, will continue until the effective date of termination.

13. **DEFAULT.**

A. Station will default if: (i) Station fails to pay its debts when due; (ii) Station seeks relief under any bankruptcy law or similar provision for the protection of debtors; (iii) Station fails to make any payment in accordance with the terms of this Agreement and such failure continues for a period of ten (10) days; (iv) Station breaches any provision of this Agreement or any other agreement between Station and Telepictures or any affiliate of Telepictures; (v) Station attempts to make any assignment, transfer or sublicense of this Agreement without Telepictures' consent as provided in Paragraph 19A; or (vi) Station ceases or suspends operations.

B. In the event of a default by Station, Telepictures may terminate this Agreement and/or proceed against Station for legal and equitable relief and/or may suspend delivery of Episodes and declare the License Fee (and any additional sums payable under the Agreement) immediately due and payable to Telepictures regardless of the due date thereof.

C. Default by Telepictures is limited to the particular Episode to which the default applies. No default as to one Episode will be a default as to any other episodes. Station will promptly give Telepictures written notice of any claimed default and Telepictures will have twenty (20) days after its receipt to commence and diligently pursue cure of such default. Only if Telepictures fails to do so, may Station proceed against Telepictures for available relief.

14. **STATION INSOLVENCY.** If Station files any petition for voluntary relief under any chapter of the Bankruptcy Code ("Code"), or has filed against it any petition for involuntary relief, then Telepictures may declare Station in default. If Telepictures is prevented from exercising any of its rights or remedies without first obtaining leave from the bankruptcy court, then Station will, within thirty (30) days of the filing of the petition, arrange for the filing of a motion to affirm or reject this Agreement and will perform all its obligations under this Agreement as if this Agreement were one within the purview of Section 365(d) of the Code. Any costs, damages or expenses incurred by Telepictures due to any post-petition default(s) will be treated as administrative claims under the Code. If Telepictures is required to pay any post-petition obligation of Station, then on all amounts so paid Telepictures will be entitled to administrative priority. All references to the "Bankruptcy Code" refer to the Title 11 United States Code Section 101 et seq. as now existing or later amended.

15. **TELEPICTURES' WARRANTIES.** Telepictures represents and warrants that:

A. Telepictures has authority to license rights specified in this Agreement. Telepictures has not licensed to another the rights granted to Station.

B. No exercise of rights granted to Station in any Episodes will: (i) infringe any third party's copyright, trademark or other property right; or (ii) defame or violate any right of privacy or infringe any personal right of any third party.

C. Telepictures will advise Station of information, of which it has actual knowledge, concerning any matter included in the Episode for which any money, service or other valuable consideration was paid, or accepted. This shall not include services or property furnished without charge, or at a nominal charge, for use on an episode unless it is furnished in consideration for an identification in the Episode of any person, product, services, trademark, or brand name beyond an identification which is reasonably related to the use of the service or property in such Episode.

16. **INDEMNITIES.**

A. Telepictures will indemnify and hold harmless Station (including its officers, directors, employees and agents) against all claims, expenses (including reasonable attorneys' fees) and liabilities due to Telepictures breach of any of its representations or warranties.

B. Station will indemnify and hold harmless Telepictures and any affiliate of Telepictures (including its partners, and their respective officers, directors, employees and agents) against all claims and expenses (including reasonable attorneys' fees) and liabilities due to Station's failure to abide by any restriction on the exercise of any rights granted and for any breach of any of Station's obligations, representations or warranties set out in this Agreement.

17. **INABILITY TO TELECAST.** If, without Station's fault, the Station is unable to telecast the Episode(s) for thirty (30) or more continuous days by reason of any Act of God, governmental action, war, flood, fire or public emergency, then Station may extend the Term for the duration of any such period but not more than six (6) months. This extension will not increase Station's time to make payments. Telepictures may suspend the delivery of materials during any extension. If Station's inability to telecast continues for more than six (6) months, then Telepictures may terminate this Agreement and give Station an equitable adjustment of the total license fee applicable to the Episodes not telecast.

18. **EXCLUSIVITY.** Telepictures agrees that during the License Term it will not license any Episode:

(i) For broadcast by any other television station located in a community thirty-five (35) miles or less from the Station's respective reference point, as determined pursuant to the rules and regulations of the F.C.C. as of the date of this Agreement (see 47 CFR Section 76.53); or

(ii) For local origination cablecasting as defined by Section 76.5(p) of the FCC's rules by any cable television system operating within the "specified zone" of the Station's designated community in its market as defined in the rules and regulations of the F.C.C. as of the date of this Agreement (see 47 CFR Section 76.5(e)).

Except as provided in subsection (ii) of this paragraph, exclusivity protection is not given against transmissions whether primary or secondary by cable systems or other multichannel video program distributors, including but not limited to DBS, SMATV and MMDS.

19. **ASSIGNMENT.**

A. This Agreement is personal to Station. Station may not assign or transfer this Agreement, or sublicense or use an agent to exploit any of the rights granted to Station, whether voluntarily or involuntarily, without Telepictures' prior written consent. An assignment or transfer of a controlling interest in Station's capital stock or other evidence of ownership will require Telepictures' consent. If Telepictures does consent then this Agreement will be binding on such authorized assignee, transferee, sublicensee or agent but will not release Station of any of its obligations under this Agreement.

B. Telepictures may assign, transfer or sublicense any of its rights under this Agreement, but no such assignment, transfer or sublicense relieves Telepictures of its obligations.

20. **MISCELLANEOUS PROVISIONS.**

A. In conflicts between any term of this Agreement and any material law, ordinance, rule or regulation, the latter will prevail.

B. No waiver of any breach will be a waiver of any other breach of the same or any other provision. No waiver is effective unless in writing.

C. All remedies are cumulative, and resort to one will not preclude resort to any other at any time.

D. All notices will be in writing and sent to the parties at the following addresses:

Station to provide correct address.  
Telepictures Distribution  
4000 Warner Boulevard  
Triangle Building  
Burbank, CA 91522  
Attention: Brad Hornor

All payments required hereunder will be made as specified in the Agreement.

E. This Agreement contains the entire understanding of the parties regarding its subject matter and supersedes all previous written or oral understandings or representations between the parties if any.

F. This Agreement will be construed under and governed (1) by the internal laws of the State of California applicable to contracts entered into therein without giving effect to its conflicts of the law provisions and (2) by the laws of the United States of America to the extent that those laws preempt California State law.

G. Any action or proceeding based upon or arising out of this Agreement shall be prosecuted only in the Courts of the State of California or the United States District Court for the Central District of California and for such purpose Station constitutes and appoints the Secretary of State of the State of California or the United States Marshal for the Central District of California as its agent to receive service of any and all process in any such action or proceeding.

In order for this Agreement, or any amendment or modification of it, to be binding upon Telepictures, it must be in writing and signed by both parties.

# WARNER BROS. DOMESTIC TELEVISION DISTRIBUTION

A DIVISION OF WARNER BROS. TELEVISION DISTRIBUTION INC.  
4000 Warner Boulevard - The Triangle Building  
Burbank, CA 91522  
(818)954-6000

X5 00049

## FIELD ORDER - CASH

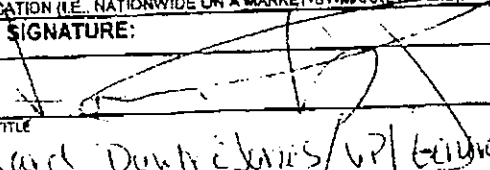
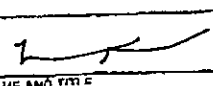
LICENSEE <b>Bay City TV, Inc.</b>	STATION/AFFILIATION <b>XETV (FOX)/XUPN (UPN)</b>	DATE OF ORDER <b>5/28/2003</b>
STREET <b>8253 Ronson Road</b>	MARKET/RANK <b>San Diego, CA/26</b>	FCC CITY OF IDENTIFICATION <b>San Diego, CA</b>
CITY/STATE <b>San Diego, CA</b>	ZIP <b>92111</b>	FAX NO <b>858-268-8351</b>
SALES PERSON <b>Mark O'Brien</b>		PHONE NO <b>858-279-6666</b>

### FAMILY MATTERS (2<sup>nd</sup> cycle)

Licensee agrees to license from Licensor the right to broadcast **FAMILY MATTERS** ("Program") for the period commencing on or before 9/1/2003 and continuing until 9/17/06 ("License Term") on the following basis:

FIRST RUN SERIES	ORIGINALS	OFF NETWORK SERIES <b>FAMILY MATTERS (2<sup>nd</sup> cycle)</b>	
WEEKLY LICENSE FEE	BARTER WITHIN SERIES (per day)	REPEATS	FEATURE FILMS
SPECIAL BARTER	TOTAL	OTHER	
LICENSED TIME PERIODS		NO. OF FEATURES/EPISODES <b>215 half-hours</b>	RUNS/YEARS <b>5 runs over the License Term</b>
DELIVERY Satellite at no charge (if available). If videotape requested, Station will pay: \$30/half-hour - \$55/hour or \$125/two-hour videotape, plus shipping both ways		LICENSE FEE PER FEATURE/EPISODE <b>\$ 400 per episode</b>	TOTAL <b>\$ 86,000 total</b>
PAYMENT/ADDITIONAL TERMS Station shall pay the total license in 36 equal consecutive monthly installments commencing on 9/1/03.		BARTER Station retains all 7 minutes per episode	LICENSED TIME PERIODS At Station's discretion
The Program may air on XETV or XUPN, provided that each telecast on either station shall count against the total number of telecasts licensed hereunder.			

LICENSEE'S BROADCAST OF EACH EPISODE (AND ALL OF THE CONTENT CONTAINED THEREIN, INCLUDING, WITHOUT LIMITATION, LICENSOR'S BARTER TIME), AND THE PAYMENT OF THE LICENSE FEES, IF ANY, IS OF THE ESSENCE OF THIS FIELD ORDER. IF THE AGREEMENT INCLUDES A CASH LICENSE FEE THEN ANY PAYMENT NOT MADE WITHIN 30 DAYS OF ITS DUE DATE WILL BEAR INTEREST AT THE RATE OF 1 1/4% PER MONTH (OR SUCH LOWER MAXIMUM RATE, IF ANY, SPECIFIED BY CONTROLLING LAW). STATION SHALL BROADCAST THE EPISODES ON ITS PRIMARY DIGITAL CHANNEL, IF ANY, SIMULTANEOUSLY WITH ITS REQUIRED NTSC BROADCASTS. LICENSOR SHALL NOT LICENSE THE EPISODES LICENSED HEREUNDER BY MEANS OF FREE OVER-THE-AIR TELEVISION IN THE ENGLISH LANGUAGE DURING THE LICENSE TERM TO ANOTHER FREE OVER-THE-AIR TELEVISION STATION WHOSE SIGNAL ORIGINATES AND WHOSE GEOGRAPHICAL REFERENCE POINT IS WITHIN A THIRTY-FIVE (35) MILE RADIUS OF THE GEOGRAPHICAL REFERENCE POINT OF STATION'S MARKET/FCC CITY OF IDENTIFICATION AS DESIGNATED IN THIS FIELD ORDER, AS SPECIFIED IN SECTION 76.53 OF THE FEDERAL COMMUNICATIONS COMMISSION RULES. WITHOUT LIMITING THE FOREGOING, THERE MAY BE CONCURRENT BASIC CABLE AND/OR SUPERSTATION EXHIBITIONS OF THE PROGRAM. ANY AND ALL RIGHTS NOT EXPRESSLY GRANTED TO LICENSEE PURSUANT TO THIS FIELD ORDER ARE EXPRESSLY EXCLUDED FROM THE RIGHTS LICENSED TO LICENSEE HEREUNDER, ARE HEREBY RESERVED FOR LICENSOR, AND MAY BE EXPLOITED BY LICENSOR, AT ANY TIME, IN ITS SOLE DISCRETION. LICENSEE'S SIGNATURE OF THIS FIELD ORDER SHALL FORMALIZE LICENSEE'S OFFER TO LICENSE THE EPISODES PURSUANT TO THE TERMS AND CONDITIONS SET FORTH ABOVE. LICENSOR'S ACCEPTANCE, IF ANY, OF LICENSEE'S OFFER SHALL BE SUBJECT TO THIS FIELD ORDER BEING SIGNED BY LICENSOR'S AUTHORIZED REPRESENTATIVE. IF LICENSOR SIGNS AND ACCEPTS THIS FIELD ORDER, THEN THIS FIELD ORDER SHALL CONSTITUTE A BINDING AGREEMENT BETWEEN LICENSEE AND LICENSOR. LICENSOR HAS THE RIGHT TO INSERT BILLBOARDS, FREE SPOTS, PRODUCT PLACEMENT, AND SPONSOR AND CLOSED-CAPTIONING ANNOUNCEMENTS IN EACH OF THE EPISODES, IN ADDITION TO LICENSOR'S BARTER TIME. LICENSEE ACKNOWLEDGES THAT LICENSEE'S AGREEMENT WITH LICENSOR SHALL BE IN ACCORDANCE WITH, AND SUBJECT TO, STANDARD TERMS AND CONDITIONS, WHICH SHALL BE SENT TO LICENSEE FOLLOWING SIGNATURE OF THIS FIELD ORDER BY BOTH PARTIES; PROVIDED THAT IN THE EVENT OF ANY INCONSISTENCIES, THE TERMS OF THIS FIELD ORDER SHALL CONTROL. THIS FIELD ORDER SHALL BE CONSTRUED UNDER AND GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA IN EFFECT AS OF THE DATE HEREOF. THIS FIELD ORDER SHALL BE DEEMED TO BE EXECUTED AND PERFORMED WHOLLY WITHIN THE COUNTY OF LOS ANGELES. IN THE EVENT THAT THE PARTIES ARE UNABLE TO RESOLVE ANY DISPUTE INFORMALLY, THEN SUCH DISPUTE SHALL BE SUBMITTED TO FINAL AND BINDING ARBITRATION. THE ARBITRATION SHALL BE CONDUCTED ACCORDING TO JAMS ARBITRATION RULES AND PROCEDURES AT ITS LOS ANGELES OFFICE AND FOLLOW CALIFORNIA LAW AND THE FEDERAL RULES OF EVIDENCE. NOTWITHSTANDING THE FOREGOING, THE LICENSE HEREOF IS CONTINGENT ON LICENSOR'S RELEASE AND CONTINUING DISTRIBUTION OF THE PROGRAM IN FREE TV SYNDICATION (I.E., NATIONWIDE ON A MARKET-BY-MARKET BASIS).

LICENSEE'S SIGNATURE: X 	WARNER BROS. DOMESTIC TELEVISION DISTRIBUTION X 
PRINT NAME AND TITLE <b>Richard Downe, VP General Mgr.</b>	PRINT NAME AND TITLE <b>Roxanne Modjallal, Vice President, Finance</b>



## EXHIBIT "A"

### STANDARD TERMS AND CONDITIONS

The Standard Terms and Conditions set forth below are attached to and made a part of that certain field order, license agreement or deal memorandum ("Agreement") between Licensor and Licensee as specified in the Agreement. Any references to the Agreement contained hereinbelow shall be deemed to include these Standard Terms.

As used herein, "Program" shall refer to a theatrical motion picture, a made-for-television movie and/or the pilot and/or an episode or episodes of a television series and/or television special(s), as applicable. Licensee acknowledges that each Program was individually listed and separately priced, and that Licensor offered each Program on a Program by Program basis without discrimination and without conditioning the licensing of any one Program upon the licensing of any other Program. Licensee acknowledges that it desires to acquire a license for each Program and that the license for all Programs are included in this Agreement for convenience only. In the event that the negotiations were conducted on an aggregate fee basis, Licensee acknowledges that such fee arrangement was done at its request, although it had an opportunity to negotiate on a Program by Program basis. Licensee further acknowledges that it is fully aware of Licensor's policy to afford Licensee and all other television stations, if any, in Licensee's market area, the opportunity to license any one or more of the Programs that Licensor has available for licensing in said market area, and that Licensor has actually afforded Licensee such opportunity; that Licensee is freely entering into this Agreement upon the terms herein contained; that there are no conditions or representations of any kind other than those expressly stated herein; that in licensing any one Program hereunder Licensor in no way has compelled Licensee to license any other Program; and, that no representative of Licensor has any authority to alter Licensor's policy referred to in this paragraph. Licensor and Licensee acknowledge that the possession of the right to broadcast constitutes a use of the product by Licensee. Licensor and Licensee acknowledge that the timely performance of all obligations under this Agreement is essential. Licensor's business, not only with Licensee but also with others similarly situated, requires that it be able to rely on the faithful and timely performance of all obligations of Licensee under this Agreement.

#### 1. BROADCASTING RIGHTS.

A. The Program may only be broadcast in the English language: (i) on Free TV (as defined below) up to the number of times specified in the Agreement to non-paying audiences; (ii) if the station as set forth in the Agreement ("Station") is a UHF, VHF or digital broadcast, low power, or translator television station, then only from the existing originating television transmitter of such Station; and (iii) if Station is a local cable television system, then only to the individual subscribers of the system located within the Market described in the Agreement.

B. "Free TV" means conventional, free, over-the-air VHF, UHF or digital broadcast, or cable television transmission by television broadcast stations, station groups or networks, the video and audio portions of which are intended to be intelligibly received without charge by means of a home roof-top or self-contained antenna for viewing on a television receiver set or its equivalent in the viewer's home. Neither governmental television receiver assessments or taxes, nor periodic service charges made by cable systems (other than a charge for pay television viewing) shall be considered a viewer charge.

C. Station may not authorize any broadcast to be amplified, retransmitted or relayed by any translator or booster station, satellite, community antenna system, cable television system, or any other method not expressly authorized in this Agreement. Notwithstanding the foregoing, Licensor agrees that Station may, pursuant to the provisions of the Cable Television Consumer Protection and Competition Act of 1992 and the Satellite Home Viewer Improvement Act of 1999 (collectively, the "Acts"), request or authorize any cable television system or satellite carrier, as defined in the Acts, to retransmit over its facilities, the television signal transmitted by Station, including the Program licensed hereunder.

D. Station shall broadcast the Program on its primary digital channel, if any, simultaneously with its required NTSC broadcasts. The content of the simultaneous digital broadcast of the Program, including, without limitation, all commercial advertisements, shall be identical to the NTSC broadcasts. For purposes of this provision, Station's "Primary Digital Channel" shall be the following: (i) If Station is affiliated with a broadcast network (including,

without limitation, ABC, CBS, NBC, Fox, The WB, UPN, PAX or any other network that offers an interconnected program service on a regular basis for fifteen (15) or more hours per week to at least twenty-five (25) stations in ten (10) or more states), the same digital channel on which Station's primary network programming is broadcast; or (ii) if Station is not affiliated with a broadcast network, the same digital channel on which Station simulcasts more than fifty percent (50%) of the total hours of programming available on its NTSC channel, or (but only if Station does not simulcast at least fifty percent (50%) of its total hours of NTSC programming on one digital channel) the digital channel which delivers the highest average rating as determined by the A.C. Nielsen company for the 6:00 AM - 2:00 AM period within Station's DMA.

E. Except as set forth in the Agreement, Licensor reserves all rights not licensed in each Program hereunder, including, without limitation, the right to license the Program by means of basic cable, pay cable, pay-per-view, video-on-demand, near video-on-demand, subscription video-on-demand, superstation, electronic delivery via the Internet, home video, Free TV in all languages other than English, or by any other means now known or hereafter devised. Licensor may exploit such reserved rights as Licensor sees fit without restriction.

#### 2. LICENSE TERM AND BROADCAST WINDOW(S).

A. The License Term for each Program begins on the earlier of the date of first broadcast of the Program, or the start date stated in the Agreement. The License Term for each Program shall end on the earlier of the expiration of the License Term as specified in the Agreement or the date of its last licensed broadcast. Licensor may change the start of the License Term for any Program upon timely notice to Licensee.

B. Licensee shall not change the authorized Broadcast Window(s) as set forth in the Agreement without Licensor's prior written consent. Licensee shall give Licensor two weeks prior written notice if Licensee elects to move the Program to another time period within the authorized Broadcast Window(s) as set forth in the Agreement. All time references in the Agreement are local time for Station. Unless otherwise provided for in the Agreement, Licensee shall not broadcast the Program during the prime time hours of M-Sat 8:00 PM - 11:00 PM and Sun 7:00 PM - 11:00 PM (EST/PST) or M-Sat 7:00 PM - 10:00 PM and Sun. 6:00 PM - 10:00 PM (CST/MST) during a broadcast network's license term, if any.

#### 3. CONSIDERATION.

A. CASH: Where the Agreement includes monetary payments, Licensee shall pay the amounts specified for each Program whether or not all authorized broadcasts occur. Monthly payments are due on the first of each consecutive month beginning as stated in the Agreement, continuing uninterrupted until the total license fee is paid or the last authorized broadcast, whichever is earlier.

#### B. BARTER AND OTHER CONSIDERATION:

i. Where the Agreement includes commercial time, Licensee shall provide the commercial time specified for each Program whether or not the authorized broadcasts occur. If Licensee fails to provide any required commercial time, Licensee shall at Licensor's election either promptly provide Licensor with comparable substitute commercial time in accordance with Licensor's instructions or pay Licensor the national media value for such time as determined by Licensor. Licensor and Licensee shall each be entitled to retain all revenues derived from their respective commercial advertisement time. In addition to its commercial advertisement time, Licensor shall have the right to insert billboards, fee spots and sponsor and closed-captioning announcements in each Program, in its sole discretion. Additionally, Licensor shall have the right to insert product placement into the Program. Licensee shall broadcast the Program in the order designated by Licensor for broadcast during each week, it being understood that Licensor shall determine, in its sole discretion, the episodic sequence of such Program broadcast and the number of times each such Program shall be rebroadcast. Licensee shall broadcast each Program without deletion or change in the Program or in the commercials or other content furnished by Licensor, except that Licensee may add its commercial material in the commercial positions provided by Licensor. Licensee's commitment to broadcast the Program is a firm broadcast commitment and there shall be no "warehousing" (i.e., Licensee must broadcast the Program, including Licensor's commercial time and other announcements).

ii. Licensee shall only be permitted to preempt the broadcast of a Program due to an event of urgent importance or to broadcast a unique one-time special event. In the event of such an authorized preemption, the Program shall be

rescheduled and broadcast during the current or the immediately following Monday through Sunday broadcast week within the applicable Broadcast Window or in another broadcast window pre-approved by Licensor, in its sole discretion and Licensee shall, at its own expense, insert Licensor's Barter Time and fee spots designated by Licensor for the then current broadcast day into the positions within the Program as designated by Licensor. Licensee shall comply with Licensor's requirements with respect to Barter Time and other announcements that must air on or by a certain date. Licensee shall immediately notify Licensor of a preemption and of the reason therefor. Failure to comply with the above provisions shall constitute a default by Licensee and shall entitle Licensor to all of its rights and remedies hereunder.

C. **GENERAL:** Each payment must be made to Licensor free of any off-sets, claims, taxes or other charges. Any payment not made within thirty (30) days of its due date shall bear interest at the rate of one and one-half percent (1 1/2%) per month (or such lower maximum rate, if any, specified by controlling law). Acceptance of any payment after its due date shall not constitute a waiver by Licensor of any of its rights except as to such payment. Timely payment and/or provision of all commercial time is/are of the essence of this Agreement, and is an express condition precedent to Licensee's right to exercise any broadcasting rights in any Program.

#### 4. USAGE REPORTS AND AFFIDAVITS.

A. Where the Agreement includes License Fee(s) as the only form of remuneration payable from Licensee to Licensor, Licensee shall give Licensor notice in writing of the date on which Licensee intends to broadcast the Program by no later than thirty (30) days prior to the date of such scheduled broadcast.

B. Licensee shall, within thirty (30) days following each broadcast hereunder, furnish Licensor with an affidavit of performance which shall certify the date, time and place of each broadcast and any of Licensor's commercial and other announcements included in such broadcast. Affidavits shall be sent to: Director of Clearance Validation, 4000 Warner Boulevard, Building 118, Room 4004, Burbank, CA 91522. In the event of a preemption, Licensee shall immediately notify Licensor of the reason therefor and shall furnish to Licensor an affidavit certified as correct by an officer of Licensee that such preempted Program (listed by name) and Licensor's commercial inventory and all other announcements (listed by commercial ID number) contained therein were actually broadcast during the make good period as set forth in Paragraph 3B(ii) above and the respective date(s) and time(s) of any such broadcast(s). Licensee acknowledges that the receipt of said affidavits is essential in order for Licensor to collect from its advertisers the compensation due to Licensor by virtue of the sale of Licensor's commercial time in the Program. Therefore, any failure by Licensee to furnish said affidavits in a timely manner as set forth herein shall be deemed a material breach of the Agreement and shall entitle Licensor to exercise all of its rights and remedies set forth in the Agreement, including, without limitation, all of Licensor rights and remedies at law and in equity.

#### 5. DELIVERY AND RETURN OF MATERIALS.

A. Licensor shall deliver materials for the Program ("Materials") as specified in the Agreement. If no Materials are specified, Licensor shall notify Licensee of the Materials to be delivered as well as the method of delivery promptly after Licensor receives notice from Licensee of a scheduled broadcast date. Where the Agreement includes License Fee(s) as the only form of remuneration payable from Licensee to Licensor, Licensor requires at least thirty (30) days notice of the scheduled broadcast date of any Program. If less than thirty (30) days notice is given, Licensor shall not be responsible for late delivery.

B. For any Program delivered on tape, Licensor shall make available said Program on a 1", 3/4" or Beta SP videotape format, or as otherwise specified in the Agreement. Licensor's delivery shall be complete when Licensor has either physically delivered the Program to Licensee or its agent, or has given the Program to Licensor's carrier c.o.b. its place of shipment. If Licensor delivers any Program and/or commercial reel via tape, Licensee shall pay the cost as determined by Licensor for each such tape, payable upon receipt of Licensor's invoice therefore. Licensee shall pay all costs of delivery, including shipping, handling and insurance.

C. For any booking Program ("Booking Program") obtained by Licensee for the purpose of dubbing onto Licensee's tape stock, (i.e., book and dub) Licensee shall pay the cost of shipping said Booking Program to it and, within three (3) days and at its own expense, return or transship said Booking Program to any address specified by Licensor. Additionally, any Booking Program must be returned in the

same condition as it was received (allowing for normal wear and tear) or Licensee shall be held responsible for the cost to duplicate an identical Booking Program.

D. Licensee shall be responsible for the maintenance, storage, shipping, handling and insurance costs of any library Program ("Library Program") licensed by Licensee. Upon completion of contracted broadcasts or at the end of the License Term, whichever comes first, Licensee shall, at its option and expense, either return said Library Program to Licensor at an address specified by Licensor or destroy said Library Program and immediately issue a certificate of destruction for each Library Program.

E. Licensee may not allow copying except to permit an authorized broadcast or part with the possession of any Program except for return shipment per the Agreement.

F. If delivery is by satellite, Licensor shall be responsible for all "uplinking" transmission costs, and Licensee shall be responsible for arranging to receive the satellite transmission and for all "downlinking" reception costs. Licensee's failure to make suitable "downlinking" arrangements, or failure to receive any Program due to technical "downlink" or reception failure shall not affect Licensee's obligations hereunder. Where the Program includes commercial time or other announcement time, Licensee shall destroy any tape of such Program immediately after the broadcast for which the satellite feed was intended, at its expense. For all other Programs, Licensee shall destroy any tape of such Program on the earlier of Licensor's last authorized broadcast or the end of the License Term, at its expense.

#### 6. EXAMINATION OF MATERIALS.

A. Licensee shall examine all Materials immediately after their receipt. If any Materials are unsuitable Licensee shall immediately notify Licensor who, at Licensor's option, shall furnish suitable replacements of the Program in question or grant a proportionate credit with respect to the portion of the License Fee allocable to the Program, it being acknowledged that Licensor shall have no other obligation or liability to Licensee whatsoever. A Program shall be deemed suitable unless notice of defect is given within three (3) business days following receipt. Licensor shall not be deemed to be in breach of the Agreement as a result of any defect or unsuitability of any Materials.

B. All materials which Licensee produces for the broadcast of any Program shall become the property of Licensor. Following the broadcast for which they were produced, Licensee shall, at its option and expense, either return said materials to Licensor at an address specified by Licensor or destroy such materials and immediately issue a certificate of destruction.

#### 7. RESTRICTIONS ON ALTERATIONS.

A. Licensee, at its own expense, may only insert commercials in the Program in the spaces designated by Licensor, and not in a manner which adversely affects a Program's artistic or pictorial quality. All commercials inserted by Licensee must be removed without damage before the Program is returned. A "cut in" fee may not be charged.

B. Except for inserting commercials, Licensee may not alter or serialize any Program. Licensee may not delete or alter the copyright notice, trademark notice or credits in any Program.

C. Licensee shall not alter any Material provided to Licensee by Licensor without Licensor's prior permission, including, but not limited to, print ads, radio, television or cable spots.

#### 8. ADVERTISING AND BILLING. USE OF NAMES AND LIKENESSES.

Licensor shall furnish Licensee such promotional and advertising Materials for use by Station as Licensor may have available and appropriate for use hereunder. Licensee shall use its best efforts to promote Licensee's broadcast of the Program. Licensee warrants and agrees that (i) it shall comply with Licensor's advertising and billing requirements and Licensor's limitations on the use of the names and likenesses of the actors and characters for each Program, as notified; (ii) none of its advertising or billing shall infringe on the rights of others or constitute an express or implied endorsement of any product, service or sponsor, other than the Program itself; (iii) it shall not advertise any title changed by Licensor or Program withdrawn by Licensor; (iv) Licensee, its sponsors and advertisers shall abide by and comply with the screen billing in the same form as it appears in the Program, that is, all advertising shall give cast and other credits in the same manner, position and relative size and prominence of type as those credits appear in the main title of the respective Program; (v) it shall not create, develop, extract or excerpt from the Program to advertise and promote the Program; (vi) it shall

comply with all Collective Bargaining Agreements concerning advertising and promotion requirements with respect to any Program; (vii) no authorized excerpt from any Program may exceed two (2) minutes in length; (viii) it shall not promote the Program via the Internet without Licensor's approval; and (ix) it shall indemnify Licensor against all costs, damages, and expenses, including but not limited to reasonable attorneys' fees incurred by or caused to Licensor by reason of any actual or alleged breach by Licensee of the provisions of this paragraph.

9. **MUSIC.** Licensor represents that, to the best of its knowledge, the non-dramatic television performing rights in the music embodied in each Program: (a) are controlled by BMI, ASCAP, SESAC, or other performing rights society having authority over Licensee's broadcast of the Program; (b) are in the public domain; or (c) are controlled by Licensor to the extent necessary to permit Licensee's broadcast of each Program. Upon request Licensor shall furnish Licensee with available music cue sheets for any Program. With regard to music in category (a), Licensee shall at its own expense obtain any licenses required to broadcast or perform any such music.

#### 10. **TAXES, ROYALTIES AND FEES.**

A. Licensee shall pay all taxes (including without limitation sales, use, VAT and remittance), duties, and any other charges, including interest and penalties, now or later imposed on or resulting from the license, rental, delivery, broadcast, possession or use by Station of any Program. To the extent that any such taxes, duties and any other charges (or penalties or interest thereon) are paid by Licensor, Licensee shall reimburse Licensor therefor on demand.

B. **ROYALTIES AND FEES:** Any royalties or fees which may be paid to or received by Licensee by virtue of any statute, governmental regulation, by operation of law or in any other manner on account of private recording or amplification, retransmission, or relaying of the Program on any station, translator, repeater, satellite, cable television system, relay broadcasts, network simultaneous transmission or otherwise shall belong to Licensor, and if received by Licensee, shall be held by Licensee as agent and/or trustee for Licensor and shall be promptly paid over to Licensor. In addition, Licensee hereby assigns to Licensor for the Program licensed hereunder all of Licensee's right and interest to any royalty payments to which Licensee may be entitled pursuant to Section 111(d) of the Copyright Revision Act of 1976 ("Copyright Act"), or similar legislation that may hereafter be enacted, and Licensor may, for Licensor's own interests and the interests of Licensee, make whatever application is necessary to petition for such royalty payments. Licensee agrees to do all such acts and execute all such documents as Licensor may hereafter require in order to comply with the requirements of the Copyright Act, and Licensee hereby appoints Licensor as Licensee's attorney-in-fact and duly authorized agent to do all such acts and execute all such documents on its behalf if Licensee shall fail to do so within one month of any request. Licensee acknowledges that the foregoing power-of-attorney is deemed coupled with an interest.

#### 11. **SUSPENSION AND WITHDRAWAL.**

A. Licensor may, in its sole discretion, either suspend delivery or broadcast of any Program temporarily or withdraw any Program permanently if Licensor determines that the broadcasting thereof would or might: (i) infringe the rights of others; (ii) violate any law, court order, government regulation or other ruling of any governmental agency; or (iii) subject Licensor to any liability or litigation. Furthermore, Licensor may withdraw any Program (i) if Licensor determines that the rights to the literary, dramatic or musical material upon which said Program is based have expired or may expire during its License Term; (ii) if Licensor determines that Licensor's materials are unsuitable for making broadcast quality prints, tapes, cassettes or discs; or (iii) due to Force Majeure (as defined below).

B. Licensee shall not be entitled to claim damages for any suspension. If any suspension lasts for more than six (6) consecutive months, either party may terminate this Agreement with respect to the suspended Program on ten (10) days notice. If not so terminated then the License Term for the suspended Program may, in Licensor's sole discretion, be extended for the length of each suspension, but not beyond the expiration of Licensor's right to license the suspended Program to Licensee.

C. If any Program is withdrawn or this Agreement is terminated with respect to any Program after a suspension period, then Licensee shall be entitled, at Licensor's election, to: (i) a substitute Program of comparable quality to the withdrawn Program; or (ii) receive an equitable proportion as allocated by Licensor

of any amounts paid. Licensee's sole remedy shall be one of the remedies set forth in this subparagraph, except as provided in Paragraph 12.

D. "Force Majeure" means any fire, flood, earthquake, or public disaster; strike or labor dispute; unavailability of any major talent committed to the Program; unavoidable accident; breakdown of electrical or sound equipment; failure to timely perform by any laboratory or supplier; delay or lack of transportation; embargo, riot, war (whether or not declared), insurrection or civil unrest; any Act of God; any act of any legally constituted authority; or any other cause beyond the reasonable control of Licensor.

12. **TERMINATION OF PRODUCTION.** If production or delivery of the Program is terminated for any reason during the License Term, Licensor upon ten (10) days notice to Licensee may cancel this Agreement without further liability to Licensor. License fees shall be prorated to the effective date of termination. Licensee's barter obligation, if any, shall continue until the effective date of termination.

13. **EARLY TERMINATION.** Where the Agreement includes License Fee(s) as the only form of remuneration payable from Licensee to Licensor, at such time as the number of remaining unplayed telecasts equals twenty percent (20%) or less of the total number of telecasts licensed hereunder or at such time as eighteen (18) months or less remain of the License Term, Licensor may terminate the Agreement on thirty (30) days notice. In such event Licensor shall pay to Licensee (or credit Licensee's account with Licensor if such account is in arrears) an amount equal to the proportionate percentage of the unplayed telecasts to the total License Fee as allocated by Licensor.

#### 14. **DEFAULT.**

A. Licensee shall be deemed in default if: (i) Licensee fails to pay its debts when due; (ii) Licensee seeks relief under any bankruptcy law or similar provision for the protection of debtors; (iii) Licensee fails to make any payment in accordance with the terms of this Agreement and such failure continues for a period of ten (10) days; (iv) Licensee is in breach of or breaches any provision of this Agreement or any other agreement between Licensee and Licensor or any affiliate of Licensor; (v) Licensee attempts to make any assignment, transfer or sublicense of this Agreement without Licensor's consent as provided in Paragraph 20A; (vi) Licensee and/or Station ceases or suspends operations; or (vii) Licensee loses control of, whether voluntarily or otherwise, the Station, its interest therein, or its license to operate the Station.

B. In the event of a default by Licensee, Licensor may terminate this Agreement or any other agreement between Licensee and Licensor or any affiliate of Licensor and/or proceed against Licensee for legal and equitable relief and/or may suspend delivery of the Program and declare the License Fee (and any additional sums payable under the Agreement) immediately due and payable to Licensor regardless of the due date thereof. Upon Licensee's receipt of notice of default, Licensee shall return all Materials in Licensee's possession or under Licensee's control to Licensor immediately.

C. Default by Licensor is limited to the particular Program to which the default applies. No default by Licensor as to one Program shall be a default as to any other Program. Licensee shall promptly give Licensor written notice of any claimed default and Licensor shall have twenty (20) days after its receipt of such notice to commence and diligently pursue cure of such default. Only if Licensor fails to do so, may Licensee proceed against Licensor for available relief; provided that Licensee's sole remedy for breach of any provision of this Agreement shall be an action at law for damages, it being agreed that in no event shall Licensee be entitled to injunctive or other equitable relief.

15. **INSOLVENCY.** The parties hereby agree and intend that this Agreement is an executory contract governed by Section 365 of the U.S. Bankruptcy Code ("Bankruptcy Code"). In the event of Licensee's bankruptcy, the parties intend that any royalties payable under this Agreement during the bankruptcy period be deemed administrative claims under the Bankruptcy Code because the parties recognize and agree that the bankruptcy estate's enjoyment of this Agreement will (i) provide a material benefit to the bankruptcy estate during its reorganization and (ii) deny Licensor the benefit of the exploitation of the rights through alternate means during the bankruptcy reorganization. The parties acknowledge and agree that any delay in the decision of the trustee of the bankruptcy estate to assume or reject the Agreement (the "Decision Period") materially harms Licensor by interfering with Licensor's ability to alternatively exploit the rights granted under this Agreement during a Decision Period of uncertain duration. The parties recognize that arranging appropriate alternative

exploitation would be a time consuming and expensive process and that it is unreasonable for Licensor to endure a Decision Period of extended uncertainty. Therefore, the parties agree that the Decision Period shall not exceed sixty (60) days. Licensor, in its interest to safeguard its valuable interests (including, without limitation, its intellectual property rights in the licensed property), has relied on the particular skill and knowledge base of Licensee. Therefore, the parties acknowledge and agree that in a bankruptcy context this Agreement is a license of the type described by Section 365(c)(1) of the Bankruptcy Code and may not be assigned without the prior written consent of the Licensor.

**16. LICENSOR'S WARRANTIES.** Licensor represents and warrants that:

A. Except with respect to any material added by Licensee and except with respect to music which is specifically provided for herein, it has authority to license rights specified in this Agreement.

B. No exercise of rights granted to Licensee in any Program shall: (i) infringe any third party's copyright, trademark or other property right; or (ii) defame or violate any right of privacy or infringe any personal right of any third party.

C. Licensor shall advise Licensee of information, of which it has actual knowledge, concerning any matter included in the Program for which any money, service or other valuable consideration was paid, or accepted. This shall not include services or property furnished without charge, or at a nominal charge, for use on a Program unless it is furnished in consideration for an identification in the Program of any person, product, services, trademark, or brand name beyond an identification which is reasonably related to the use of the service or property in such Program.

**17. INDEMNITIES.**

A. Licensor shall indemnify and hold harmless Licensee (including its officers, directors, employees and agents) against any damages awarded in any final judgment entered against Licensee (other than for loss of profits or consequential damages sustained by Licensee) or settlement approved by Licensor, due to Licensor's breach of any of its representations or warranties, provided, however, prompt detailed written notice of claim of such breach or warranty is given by Licensee to Licensor. Licensor shall have full control over the defense and/or settlement of any claim or litigation including the right to engage its own counsel. Licensee shall cooperate fully with Licensor in the defense or settlement of any such claim or litigation.

B. Licensee shall indemnify and hold harmless Licensor (including its officers, directors, employees and agents) against all claims and expenses (including reasonable attorneys' fees) and liabilities arising from or as the result of (i) Licensee's failure to abide by any restriction on the exercise of any rights granted; (ii) any breach of any of Licensee's obligations, representations or warranties set out in this Agreement; or (iii) the broadcasting of any material in connection with or relating to the Program other than material contained in the Program as delivered by Licensor.

**18. INABILITY TO BROADCAST.** If, without Licensee's fault, Licensee is unable to broadcast the Program for thirty (30) or more continuous days by reason of any Act of God, governmental action, war (whether or not declared), flood, fire or public emergency, then Licensor may, in its sole discretion, extend the License Term with respect to any affected Program for the duration of any such period but not beyond the expiration of Licensor's right to license the Program to Licensee. This extension shall not increase Licensee's time to make payments. Licensor may suspend the delivery of Materials during any extension. If Licensee's inability to broadcast continues for more than six (6) months, then Licensor may terminate this Agreement and give Licensee an equitable adjustment of the total License Fee applicable to the Program not broadcast as allocated by Licensor.

**19. EXCLUSIVITY.** Licensor agrees that during the License Term it shall not license any Program in the English language:

(i) For broadcast by any other television station located in a community located less than thirty-five (35) miles away from the Station's respective reference point, as determined pursuant to the rules and regulations of the F.C.C. as of the date of this Agreement (see 47 CFR Section 76.53), provided that such exclusivity shall not preclude network broadcasts of the Program during the License Term; or

(ii) For local origination cablecasting by any cable television system operating within the "specified zone" of the Station's designated community in its Market as defined in the rules and regulations of the F.C.C. as of the date of the Agreement (see 47 CFR Section 76.5(e)).

**20. ASSIGNMENT.**

A. This Agreement is personal to Licensee. Licensee may not assign or transfer this Agreement, or sublicense or use an agent to exploit any of the rights granted to Licensee, whether voluntarily or involuntarily, without Licensor's prior written consent. An assignment or transfer of a controlling interest in Licensee's capital stock or other evidence of ownership shall require Licensor's consent. If Licensor does consent then this Agreement shall be binding on such authorized assignee, transferee, sublicensee or agent but shall not release Licensee of any of its obligations under this Agreement. Nothing in this paragraph shall release Licensee or its successors in interest from fulfilling Licensee's obligations hereunder.

B. Licensor may assign, transfer or sublicense any of its rights under this Agreement, but no such assignment, transfer or sublicense relieves Licensor of its obligations.

**21. DISPUTE RESOLUTION.**

A. Any and all controversies, claims or disputes arising out of or related to this Agreement or the interpretation, performance or breach thereof, including, but not limited to, alleged violations of state or federal statutory or common law rights or duties, and the determination of the scope or applicability of this agreement to arbitrate ("Dispute"), except as set forth in subparagraphs C and D, below, shall be resolved according to the procedures set forth in subparagraph B, below, which shall constitute the sole dispute resolution mechanism hereunder:

B. **ARBITRATION:** In the event that the parties are unable to resolve any Dispute informally, then such Dispute shall be submitted to final and binding arbitration. The arbitration shall be initiated and conducted according to either the JAMS Streamlined (for claims under \$250,000) or the JAMS Comprehensive (for claims over \$250,000) Arbitration Rules and Procedures, except as modified herein, including the Optional Appeal Procedure, at the Los Angeles office of JAMS, or its successor ("JAMS") in effect at the time the request for arbitration is made (the "Arbitration Rules"). The arbitration shall be conducted in Los Angeles County before a single neutral arbitrator appointed in accordance with the Arbitration Rules. The arbitrator shall follow California law and the Federal Rules of Evidence in adjudicating the Dispute. The parties waive the right to seek punitive damages and the arbitrator shall have no authority to award such damages. The arbitrator shall provide a detailed written statement of decision, which shall be part of the arbitration award and admissible in any judicial proceeding to confirm, correct or vacate the award. Unless the parties agree otherwise, the neutral arbitrator and the members of any appeal panel shall be former or retired judges or justices of any California state or federal court with experience in matters involving the entertainment industry. If either party refuses to perform any or all of its obligations under the final arbitration award (following appeal, if applicable) within thirty (30) days of such award being rendered, then the other party may enforce the final award in any court of competent jurisdiction in Los Angeles County. The party seeking enforcement shall be entitled to an award of all costs, fees and expenses, including attorneys' fees, incurred in enforcing the award, to be paid by the party against whom enforcement is ordered.

C. **INJUNCTIVE RELIEF:** Notwithstanding the foregoing, either party shall be entitled to seek injunctive relief (unless otherwise precluded by any other provision of this Agreement) in the state and federal courts of Los Angeles County.

D. **OTHER MATTERS:** Any Dispute or portion thereof, or any claim for a particular form of relief (not otherwise precluded by any other provision of this Agreement), that may not be arbitrated pursuant to applicable state or federal law may be heard only in a court of competent jurisdiction in Los Angeles County.

**22. AUDIT.**

A. Licensee shall keep full and accurate books and accounts with respect to the Program and Licensor shall have the right to audit and inspect said records at reasonable business hours, or to designate a representative to audit and inspect said records on Licensor's behalf. Licensee agrees that books and accounts are deemed to include all media where information is stored, including electronic media such as computer diskettes, magnetic tape, optical storage methods or any and all other formats necessary to analyze all data Licensor or Licensor's representative find necessary to analyze, review or inspect. Licensor shall have the absolute right to make copies of all data or information, regardless of what medium that data or

information may be stored upon. In the event that such examination by Licensor reveals any under-reporting or misrepresentation by Licensee of any item bearing upon the computation of the amounts payable to Licensor hereunder, Licensee agrees that in addition to recomputing and making immediate payment of the amounts due based on actual and true items together with interest thereon at the rate of two percent (2%) plus the prime rate of interest charged by and computed on borrowings from Bank of America or the maximum rate permitted by law, whichever is least, (i) Licensee shall, in addition, pay all costs and expenses incurred by Licensor in connection with such audit including any and all attorneys' fees incurred by Licensor in connection with the enforcement and collection of such under-reported or misrepresented amounts, and (ii) notwithstanding anything to the contrary contained herein, Licensor shall have the further right to audit Licensee's books and records retroactively to the commencement of the Agreement. In the event Licensor decides to exercise this right and conduct an audit and/or an inspection of Licensee's business records, Licensor shall give Licensee at least ten (10) days advance written notice, with said audits limited to one time per calendar year. Licensee agrees that, at Licensor's own discretion, said audit and/or inspection shall be conducted by a nationally recognized firm of certified public accountants and/or by Licensor's own corporate audit department.

B. Licensee shall retain the books, accounts and records with respect to each Program or statement received by Licensor in connection therewith for three (3) years after such Program has been accounted for or such statement has been rendered unless a suit is commenced. However, nothing shall limit Licensor's rights at law in the event that Licensee shall have concealed information from or provided false information to Licensor or its auditors.

### 23. MISCELLANEOUS PROVISIONS.

A. In conflicts between any term of this Agreement and any material law, ordinance, rule or regulation, the latter shall prevail.

B. By entering into this Agreement with Licensee, Licensor does not waive any other breach or default by Licensee in connection with any other agreement. No waiver of any breach in this or any other agreement shall be a waiver of any other breach of the same or any other provision. No waiver is effective unless in writing.

C. All remedies are cumulative, and resort to one shall not preclude resort to any other at any time.

D. All notices shall be in writing and sent to the parties at addresses set forth in the Agreement or otherwise specified by the parties with notice to Licensor addressed to the attention of: Vice President, Contract Administration.

E. This Agreement contains the entire understanding of the parties regarding its subject matter and supersedes all previous written or oral understandings or representations between the parties if any.

F. This Agreement shall be construed under and governed (1) by the internal laws of the State of California applicable to contracts entered into therein without giving effect to its conflicts of the law provisions and (2) by the laws of the United States of America to the extent that those laws preempt California State law. Licensee's sole remedy for breach of any provision of this Agreement shall be an action at law for damages, it being agreed that in no event shall Licensee be entitled to injunctive or other equitable relief.

G. At no time in the past, present or future shall the relationship between Licensor and Licensee be deemed or intended to constitute an agency, partnership, joint venture, or a collaboration for the purpose of sharing any profits or ownership in common. Except as set forth in paragraph 10.B., neither party shall have the right, power, or authority at any time to act on behalf of or to represent the other party, but each party hereto shall be separately and entirely liable for its own debts in all aspects.

H. The headings of the paragraphs of this Agreement are for convenience only and shall not in any way affect the interpretation of any provision of this Agreement.

In order for any amendment or modification to this Agreement to be binding upon Licensor, it must be in writing and signed by both parties.

# WARNER BROS. DOMESTIC TELEVISION DISTRIBUTION

A DIVISION OF WARNER BROS. TELEVISION DISTRIBUTION INC.  
 4000 Warner Boulevard - The Triangle Building  
 Burbank, CA 91522  
 (818)954-6000

## FIELD ORDER - CASH

LICENSEE <b>Bay City TV, Inc.</b>		STATION/AFFILIATION <b>XETV (FOX)/XUPN (UPN)</b>	DATE OF ORDER <b>5/28/2003</b>
STREET <b>8253 Ronson Road</b>		MARKET/RANK <b>San Diego, CA/26</b>	FCC CITY OF IDENTIFICATION <b>San Diego, CA</b>
CITY/STATE <b>San Diego, CA</b>		ZIP <b>92111</b>	FAX NO. <b>858-268-8351</b>
SALES PERSON <b>Mark O'Brien</b>			PHONE NO. <b>858-279-6666</b>

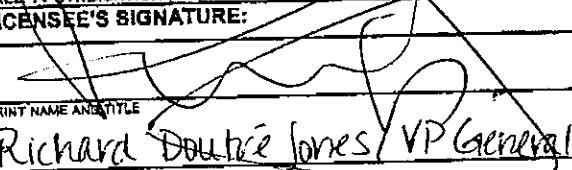
### THE JAMIE FOXX SHOW (2<sup>nd</sup> cycle)

Licensee agrees to license from Licensor the right to broadcast THE JAMIE FOXX SHOW ("Program") for the period commencing on or before 10/2/2004 and continuing for four (4) years ("License Term") on the following basis:

FIRST RUN SERIES		ORIGINALS	OFF NETWORK SERIES <b>THE JAMIE FOXX SHOW (2<sup>nd</sup> cycle)</b>
WEEKLY LICENSE FEE	BARTER WITHIN SERIES (per day)	REPEATS	FEATURE FILMS
SPECIAL BARTER		TOTAL	OTHER
LICENSED TIME PERIODS		NO. OF FEATURES/EPISODES <b>100 half-hours</b>	RUNS/YEARS <b>8 runs over 4 years</b>
DELIVERY Satellite at no charge (if available). If videotape requested, Station will pay: \$30/half-hour - \$55/hour or \$125/two-hour videotape, plus shipping both ways		LICENSE FEE PER FEATURE/EPISODE <b>\$ 300 per episode</b>	TOTAL <b>\$ 30,000 total</b>
		BARTER Station retains all 7 minutes per episode	LICENSED TIME PERIODS At Station's discretion

PAYMENT/ADDITIONAL TERMS: **The License Term shall be for a period of four years commencing on the earlier of the first telecast of an Episode or 10/2/04. Station shall pay the total License Fee in 42 equal consecutive monthly installments commencing on the earlier of the date of the first telecast of an Episode or 10/2/04. The Program may air on XETV or XUPN, provided that each run on either station shall count against the total number of telecasts licensed hereunder.**

LICENSEE'S BROADCAST OF EACH EPISODE (AND ALL OF THE CONTENT CONTAINED THEREIN, INCLUDING, WITHOUT LIMITATION, LICENSOR'S BARTER TIME), AND THE PAYMENT OF THE LICENSE FEES, IF ANY, IS OF THE ESSENCE OF THIS FIELD ORDER. IF THE AGREEMENT INCLUDES A CASH LICENSE FEE THEN ANY PAYMENT NOT MADE WITHIN 30 DAYS OF ITS DUE DATE WILL BEAR INTEREST AT THE RATE OF 1 1/2% PER MONTH (OR SUCH LOWER MAXIMUM RATE, IF ANY, SPECIFIED BY CONTROLLING LAW). STATION SHALL BROADCAST THE EPISODES LICENSED HEREUNDER BY MEANS OF FREE OVER-THE-AIR TELEVISION IN THE ENGLISH LANGUAGE DURING THE LICENSE TERM TO ANOTHER FREE OVER-THE-AIR TELEVISION STATION WHOSE SIGNAL ORIGINATES AND WHOSE GEOGRAPHICAL REFERENCE POINT IS WITHIN A THIRTY-FIVE (35) MILE RADIUS OF THE GEOGRAPHICAL REFERENCE POINT OF STATION'S MARKET/FCC CITY OF IDENTIFICATION AS DESIGNATED IN THIS FIELD ORDER, AS SPECIFIED IN SECTION 76.53 OF THE FEDERAL COMMUNICATIONS COMMISSION RULES. WITHOUT LIMITING THE FOREGOING, THERE MAY BE CONCURRENT BASIC CABLE AND/OR SUPERSTATION EXHIBITIONS OF THE PROGRAM. ANY AND ALL RIGHTS NOT EXPRESSLY GRANTED TO LICENSEE PURSUANT TO THIS FIELD ORDER ARE EXPRESSLY EXCLUDED FROM THE RIGHTS LICENSED TO LICENSEE HEREUNDER. ARE HEREBY RESERVED FOR LICENSOR, AND MAY BE EXPLOITED BY LICENSOR, AT ANY TIME, IN ITS SOLE DISCRETION. LICENSEE'S SIGNATURE OF THIS FIELD ORDER SHALL FORMALIZE LICENSEE'S OFFER TO LICENSE THE EPISODES PURSUANT TO THE TERMS AND CONDITIONS SET FORTH ABOVE. LICENSOR'S ACCEPTANCE, IF ANY, OF LICENSEE'S OFFER SHALL BE SUBJECT TO THIS FIELD ORDER BEING SIGNED BY LICENSOR'S AUTHORIZED REPRESENTATIVE. IF LICENSOR SIGNS AND ACCEPTS THIS FIELD ORDER, THEN THIS FIELD ORDER SHALL CONSTITUTE A BINDING AGREEMENT BETWEEN LICENSEE AND LICENSOR. LICENSOR HAS THE RIGHT TO INSERT BILLBOARDS, FREE SPOTS, PRODUCT PLACEMENT, AND SPONSOR AND CLOSED-CAPTIONING ANNOUNCEMENTS IN EACH OF THE EPISODES, IN ADDITION TO LICENSOR'S BARTER TIME. LICENSEE ACKNOWLEDGES THAT LICENSEE'S AGREEMENT WITH LICENSOR SHALL BE IN ACCORDANCE WITH, AND SUBJECT TO, STANDARD TERMS AND CONDITIONS, WHICH SHALL BE SENT TO LICENSEE FOLLOWING SIGNATURE OF THIS FIELD ORDER BY BOTH PARTIES; PROVIDED THAT IN THE EVENT OF ANY INCONSISTENCIES, THE TERMS OF THIS FIELD ORDER SHALL CONTROL. THIS FIELD ORDER SHALL BE CONSTRUED UNDER AND GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA IN EFFECT AS OF THE DATE HEREOF. THIS FIELD ORDER SHALL BE DEEMED TO BE EXECUTED AND PERFORMED WHOLLY WITHIN THE COUNTY OF LOS ANGELES IN THE EVENT THAT THE PARTIES ARE UNABLE TO RESOLVE ANY DISPUTE INFORMALLY, THEN SUCH DISPUTE SHALL BE SUBMITTED TO FINAL AND BINDING ARBITRATION. THE ARBITRATION SHALL BE CONDUCTED ACCORDING TO IAMS ARBITRATION RULES AND PROCEDURES AT ITS LOS ANGELES OFFICE AND FOLLOW CALIFORNIA LAW AND THE FEDERAL RULES OF EVIDENCE. NOTWITHSTANDING THE FOREGOING, THE LICENSE HEREOF IS CONTINGENT ON LICENSOR'S RELEASE AND CONTINUING DISTRIBUTION OF THE PROGRAM IN FREE TV SYNDICATION (I.E., NATIONWIDE ON A MARKET-BY-MARKET BASIS).

LICENSEE'S SIGNATURE: <b>X</b> 	WARNER BROS. DOMESTIC TELEVISION DISTRIBUTION <b>X</b>
PRINT NAME AND TITLE <b>Richard Doucree Jones / VP General Manager</b>	PRINT NAME AND TITLE

## EXHIBIT "A"

### STANDARD TERMS AND CONDITIONS

The Standard Terms and Conditions set forth below are attached to and made a part of that certain field order, license agreement or deal memorandum ("Agreement") between Licensor and Licensee as specified in the Agreement. Any references to the Agreement contained hereinbelow shall be deemed to include these Standard Terms.

As used herein, "Program" shall refer to a theatrical motion picture, a made-for-television movie and/or the pilot and/or an episode or episodes of a television series and/or television special(s), as applicable. Licensee acknowledges that each Program was individually listed and separately priced, and that Licensor offered each Program on a Program by Program basis without discrimination and without conditioning the licensing of any one Program upon the licensing of any other Program. Licensee acknowledges that it desires to acquire a license for each Program and that the license for all Programs are included in this Agreement for convenience only. In the event that the negotiations were conducted on an aggregate fee basis, Licensee acknowledges that such fee arrangement was done at its request, although it had an opportunity to negotiate on a Program by Program basis. Licensee further acknowledges that it is fully aware of Licensor's policy to afford Licensee and all other television stations, if any, in Licensee's market area, the opportunity to license any one or more of the Programs that Licensor has available for licensing in said market area, and that Licensor has actually afforded Licensee such opportunity; that Licensee is freely entering into this Agreement upon the terms herein contained; that there are no conditions or representations of any kind other than those expressly stated herein; that in licensing any one Program hereunder Licensor in no way has compelled Licensee to license any other Program; and, that no representative of Licensor has any authority to alter Licensor's policy referred to in this paragraph. Licensor and Licensee acknowledge that the possession of the right to broadcast constitutes a use of the product by Licensee. Licensor and Licensee acknowledge that the timely performance of all obligations under this Agreement is essential. Licensor's business, not only with Licensee but also with others similarly situated, requires that it be able to rely on the faithful and timely performance of all obligations of Licensee under this Agreement.

#### 1. BROADCASTING RIGHTS.

A. The Program may only be broadcast in the English language: (i) on Free TV (as defined below) up to the number of times specified in the Agreement to non-paying audiences; (ii) if the station as set forth in the Agreement ("Station") is a UHF, VHF or digital broadcast, low power, or translator television station, then only from the existing originating television transmitter of such Station; and (iii) if Station is a local cable television system, then only to the individual subscribers of the system located within the Market described in the Agreement.

B. "Free TV" means conventional, free, over-the-air VHF, UHF or digital broadcast, or cable television transmission by television broadcast stations, station groups or networks, the video and audio portions of which are intended to be intelligibly received without charge by means of a home roof-top or self-contained antenna for viewing on a television receiver set or its equivalent in the viewer's home. Neither governmental television receiver assessments or taxes, nor periodic service charges made by cable systems (other than a charge for pay television viewing) shall be considered a viewer charge.

C. Station may not authorize any broadcast to be amplified, retransmitted or relayed by any translator or booster station, satellite, community antenna system, cable television system, or any other method not expressly authorized in this Agreement. Notwithstanding the foregoing, Licensor agrees that Station may, pursuant to the provisions of the Cable Television Consumer Protection and Competition Act of 1992 and the Satellite Home Viewer Improvement Act of 1999 (collectively, the "Acts"), request or authorize any cable television system or satellite carrier, as defined in the Acts, to retransmit over its facilities, the television signal transmitted by Station, including the Program licensed hereunder.

D. Station shall broadcast the Program on its primary digital channel, if any, simultaneously with its required NTSC broadcasts. The content of the simultaneous digital broadcast of the Program, including, without limitation, all commercial advertisements, shall be identical to the NTSC broadcasts. For purposes of this provision, Station's "Primary Digital Channel" shall be the following: (i) If Station is affiliated with a broadcast network (including,

without limitation, ABC, CBS, NBC, Fox, The WB, UPN, PAX or any other network that offers an interconnected program service on a regular basis for fifteen (15) or more hours per week to at least twenty-five (25) stations in ten (10) or more states), the same digital channel on which Station's primary network programming is broadcast; or (ii) if Station is not affiliated with a broadcast network, the same digital channel on which Station simulcasts more than fifty percent (50%) of the total hours of programming available on its NTSC channel, or (but only if Station does not simulcast at least fifty percent (50%) of its total hours of NTSC programming on one digital channel) the digital channel which delivers the highest average rating as determined by the A.C. Nielsen company for the 6:00 AM - 2:00 AM period within Station's DMA.

E. Except as set forth in the Agreement, Licensor reserves all rights not licensed in each Program hereunder, including, without limitation, the right to license the Program by means of basic cable, pay cable, pay-per-view, video-on-demand, near video-on-demand, subscription video-on-demand, superstation, electronic delivery via the Internet, home video, Free TV in all languages other than English, or by any other means now known or hereafter devised. Licensor may exploit such reserved rights as Licensor sees fit without restriction.

#### 2. LICENSE TERM AND BROADCAST WINDOW(S).

A. The License Term for each Program begins on the earlier of the date of first broadcast of the Program, or the start date stated in the Agreement. The License Term for each Program shall end on the earlier of the expiration of the License Term as specified in the Agreement or the date of its last licensed broadcast. Licensor may change the start of the License Term for any Program upon timely notice to Licensee.

B. Licensee shall not change the authorized Broadcast Window(s) as set forth in the Agreement without Licensor's prior written consent. Licensee shall give Licensor two weeks prior written notice if Licensee elects to move the Program to another time period within the authorized Broadcast Window(s) as set forth in the Agreement. All time references in the Agreement are local time for Station. Unless otherwise provided for in the Agreement, Licensee shall not broadcast the Program during the prime time hours of M-Sat 8:00 PM - 11:00 PM and Sun 7:00 PM - 11:00 PM (EST/PST) or M-Sat 7:00 PM - 10:00 PM and Sun. 6:00 PM - 10:00 PM (CST/MST) during a broadcast network's license term, if any.

#### 3. CONSIDERATION.

A. CASH: Where the Agreement includes monetary payments, Licensee shall pay the amounts specified for each Program whether or not all authorized broadcasts occur. Monthly payments are due on the first of each consecutive month beginning as stated in the Agreement, continuing uninterrupted until the total license fee is paid or the last authorized broadcast, whichever is earlier.

#### B. BARTER AND OTHER CONSIDERATION:

i. Where the Agreement includes commercial time, Licensee shall provide the commercial time specified for each Program whether or not the authorized broadcasts occur. If Licensee fails to provide any required commercial time, Licensee shall at Licensor's election either promptly provide Licensor with comparable substitute commercial time in accordance with Licensor's instructions or pay Licensor the national media value for such time as determined by Licensor. Licensor and Licensee shall each be entitled to retain all revenues derived from their respective commercial advertisement time. In addition to its commercial advertisement time, Licensor shall have the right to insert billboards, fee spots and sponsor and closed-captioning announcements in each Program, in its sole discretion. Additionally, Licensor shall have the right to insert product placement into the Program. Licensee shall broadcast the Program in the order designated by Licensor for broadcast during each week, it being understood that Licensor shall determine, in its sole discretion, the episodic sequence of such Program broadcast and the number of times each such Program shall be rebroadcast. Licensee shall broadcast each Program without deletion or change in the Program or in the commercials or other content furnished by Licensor, except that Licensee may add its commercial material in the commercial positions provided by Licensor. Licensee's commitment to broadcast the Program is a firm broadcast commitment and there shall be no "warehousing" (i.e., Licensee must broadcast the Program, including Licensor's commercial time and other announcements).

ii. Licensee shall only be permitted to preempt the broadcast of a Program due to an event of urgent importance or to broadcast a unique one-time special event. In the event of such an authorized preemption, the Program shall be

rescheduled and broadcast during the current or the immediately following Monday through Sunday broadcast week within the applicable Broadcast Window or in another broadcast window pre-approved by Licensor, in its sole discretion and Licensee shall, at its own expense, insert Licensor's Barter Time and fee spots designated by Licensor for the then current broadcast day into the positions within the Program as designated by Licensor. Licensee shall comply with Licensor's requirements with respect to Barter Time and other announcements that must air on or by a certain date. Licensee shall immediately notify Licensor of a preemption and of the reason therefor. Failure to comply with the above provisions shall constitute a default by Licensee and shall entitle Licensor to all of its rights and remedies hereunder.

C. **GENERAL:** Each payment must be made to Licensor free of any off-sets, claims, taxes or other charges. Any payment not made within thirty (30) days of its due date shall bear interest at the rate of one and one-half percent (1 1/2%) per month (or such lower maximum rate, if any, specified by controlling law). Acceptance of any payment after its due date shall not constitute a waiver by Licensor of any of its rights except as to such payment. Timely payment and/or provision of all commercial time is/are of the essence of this Agreement, and is an express condition precedent to Licensee's right to exercise any broadcasting rights in any Program.

#### 4. USAGE REPORTS AND AFFIDAVITS.

A. Where the Agreement includes License Fee(s) as the only form of remuneration payable from Licensee to Licensor, Licensee shall give Licensor notice in writing of the date on which Licensee intends to broadcast the Program by no later than thirty (30) days prior to the date of such scheduled broadcast.

B. Licensee shall, within thirty (30) days following each broadcast hereunder, furnish Licensor with an affidavit of performance which shall certify the date, time and place of each broadcast and any of Licensor's commercial and other announcements included in such broadcast. Affidavits shall be sent to: Director of Clearance Validation, 4000 Warner Boulevard, Building 118, Room 4004, Burbank, CA 91522. In the event of a preemption, Licensee shall immediately notify Licensor of the reason therefor and shall furnish to Licensor an affidavit certified as correct by an officer of Licensee that such preempted Program (listed by name) and Licensor's commercial inventory and all other announcements (listed by commercial ID number) contained therein were actually broadcast during the make good period as set forth in Paragraph 3B(ii) above and the respective date(s) and time(s) of any such broadcast(s). Licensee acknowledges that the receipt of said affidavits is essential in order for Licensor to collect from its advertisers the compensation due to Licensor by virtue of the sale of Licensor's commercial time in the Program. Therefore, any failure by Licensee to furnish said affidavits in a timely manner as set forth herein shall be deemed a material breach of the Agreement and shall entitle Licensor to exercise all of its rights and remedies set forth in the Agreement, including, without limitation, all of Licensor rights and remedies at law and in equity.

#### 5. DELIVERY AND RETURN OF MATERIALS.

A. Licensor shall deliver materials for the Program ("Materials") as specified in the Agreement. If no Materials are specified, Licensor shall notify Licensee of the Materials to be delivered as well as the method of delivery promptly after Licensor receives notice from Licensee of a scheduled broadcast date. Where the Agreement includes License Fee(s) as the only form of remuneration payable from Licensee to Licensor, Licensor requires at least thirty (30) days notice of the scheduled broadcast date of any Program. If less than thirty (30) days notice is given, Licensor shall not be responsible for late delivery.

B. For any Program delivered on tape, Licensor shall make available said Program on a 1", 3/4" or Beta SP videotape format, or as otherwise specified in the Agreement. Licensor's delivery shall be complete when Licensor has either physically delivered the Program to Licensee or its agent, or has given the Program to Licensor's carrier f.o.b. its place of shipment. If Licensor delivers any Program and/or commercial reel via tape, Licensee shall pay the cost as determined by Licensor for each such tape, payable upon receipt of Licensor's invoice therefore. Licensee shall pay all costs of delivery, including shipping, handling and insurance.

C. For any booking Program ("Booking Program") obtained by Licensee for the purpose of dubbing onto Licensee's tape stock, (i.e., book and dub) Licensee shall pay the cost of shipping said Booking Program to it and, within three (3) days and at its own expense, return or transship said Booking Program to any address specified by Licensor. Additionally, any Booking Program must be returned in the

same condition as it was received (allowing for normal wear and tear) or Licensee shall be held responsible for the cost to duplicate an identical Booking Program.

D. Licensee shall be responsible for the maintenance, storage, shipping, handling and insurance costs of any Library Program ("Library Program") licensed by Licensee. Upon completion of contracted broadcasts or at the end of the License Term, whichever comes first, Licensee shall, at its option and expense, either return said Library Program to Licensor at an address specified by Licensor or destroy said Library Program and immediately issue a certificate of destruction for each Library Program.

E. Licensee may not allow copying except to permit an authorized broadcast or part with the possession of any Program except for return shipment per the Agreement.

F. If delivery is by satellite, Licensor shall be responsible for all "uplinking" transmission costs, and Licensee shall be responsible for arranging to receive the satellite transmission and for all "downlinking" reception costs. Licensee's failure to make suitable "downlinking" arrangements, or failure to receive any Program due to technical "downlink" or reception failure shall not affect Licensee's obligations hereunder. Where the Program includes commercial time or other announcement time, Licensee shall destroy any tape of such Program immediately after the broadcast for which the satellite feed was intended, at its expense. For all other Programs, Licensee shall destroy any tape of such Program on the earlier of Licensor's last authorized broadcast or the end of the License Term, at its expense.

#### 6. EXAMINATION OF MATERIALS.

A. Licensee shall examine all Materials immediately after their receipt. If any Materials are unsuitable Licensee shall immediately notify Licensor who, at Licensor's option, shall furnish suitable replacements of the Program in question or grant a proportionate credit with respect to the portion of the License Fee allocable to the Program, it being acknowledged that Licensor shall have no other obligation or liability to Licensee whatsoever. A Program shall be deemed suitable unless notice of defect is given within three (3) business days following receipt. Licensor shall not be deemed to be in breach of the Agreement as a result of any defect or unsuitability of any Materials.

B. All materials which Licensee produces for the broadcast of any Program shall become the property of Licensor. Following the broadcast for which they were produced, Licensee shall, at its option and expense, either return said materials to Licensor at an address specified by Licensor or destroy such materials and immediately issue a certificate of destruction.

#### 7. RESTRICTIONS ON ALTERATIONS.

A. Licensee, at its own expense, may only insert commercials in the Program in the spaces designated by Licensor, and not in a manner which adversely affects a Program's artistic or pictorial quality. All commercials inserted by Licensee must be removed without damage before the Program is returned. A "cut in" fee may not be charged.

B. Except for inserting commercials, Licensee may not alter or serialize any Program. Licensee may not delete or alter the copyright notice, trademark notice or credits in any Program.

C. Licensee shall not alter any Material provided to Licensee by Licensor without Licensor's prior permission, including, but not limited to, print ads, radio, television or cable spots.

#### 8. ADVERTISING AND BILLING. USE OF NAMES AND LIKENESSES.

Licensor shall furnish Licensee such promotional and advertising Materials for use by Station as Licensor may have available and appropriate for use hereunder. Licensee shall use its best efforts to promote Licensee's broadcast of the Program. Licensee warrants and agrees that (i) it shall comply with Licensor's advertising and billing requirements and Licensor's limitations on the use of the names and likenesses of the actors and characters for each Program, as notified; (ii) none of its advertising or billing shall infringe on the rights of others or constitute an express or implied endorsement of any product, service or sponsor, other than the Program itself; (iii) it shall not advertise any title changed by Licensor or Program withdrawn by Licensor; (iv) Licensee, its sponsors and advertisers shall abide by and comply with the screen billing in the same form as it appears in the Program, that is, all advertising shall give cast and other credits in the same manner, position and relative size and prominence of type as those credits appear in the main title of the respective Program; (v) it shall not create, develop, extract or excerpt from the Program to advertise and promote the Program; (vi) it shall



comply with all Collective Bargaining Agreements concerning advertising and promotion requirements with respect to any Program; (vii) no authorized excerpt from any Program may exceed two (2) minutes in length; (viii) it shall not promote the Program via the Internet without Licensor's approval; and (ix) it shall indemnify Licensor against all costs, damages, and expenses, including but not limited to reasonable attorneys' fees incurred by or caused to Licensor by reason of any actual or alleged breach by Licensee of the provisions of this paragraph.

9. **MUSIC.** Licensor represents that, to the best of its knowledge, the non-dramatic television performing rights in the music embodied in each Program: (a) are controlled by BMI, ASCAP, SESAC, or other performing rights society having authority over Licensee's broadcast of the Program; (b) are in the public domain; or (c) are controlled by Licensor to the extent necessary to permit Licensee's broadcast of each Program. Upon request Licensor shall furnish Licensee with available music cue sheets for any Program. With regard to music in category (a), Licensee shall at its own expense obtain any licenses required to broadcast or perform any such music.

#### 10. **TAXES, ROYALTIES AND FEES.**

A. Licensee shall pay all taxes (including without limitation sales, use, VAT and remittance), duties, and any other charges, including interest and penalties, now or later imposed on or resulting from the license, rental, delivery, broadcast, possession or use by Station of any Program. To the extent that any such taxes, duties and any other charges (or penalties or interest thereon) are paid by Licensor, Licensee shall reimburse Licensor therefor on demand.

B. **ROYALTIES AND FEES:** Any royalties or fees which may be paid to or received by Licensee by virtue of any statute, governmental regulation, by operation of law or in any other manner on account of private recording or amplification, retransmission, or relaying of the Program on any station, translator, repeater, satellite, cable television system, relay broadcasts, network simultaneous transmission or otherwise shall belong to Licensor, and if received by Licensee, shall be held by Licensee as agent and/or trustee for Licensor and shall be promptly paid over to Licensor. In addition, Licensee hereby assigns to Licensor for the Program licensed hereunder all of Licensee's right and interest to any royalty payments to which Licensee may be entitled pursuant to Section 111(d) of the Copyright Revision Act of 1976 ("Copyright Act"), or similar legislation that may hereafter be enacted, and Licensor may, for Licensor's own interests and the interests of Licensee, make whatever application is necessary to petition for such royalty payments. Licensee agrees to do all such acts and execute all such documents as Licensor may hereafter require in order to comply with the requirements of the Copyright Act, and Licensee hereby appoints Licensor as Licensee's attorney-in-fact and duly authorized agent to do all such acts and execute all such documents on its behalf if Licensee shall fail to do so within one month of any request. Licensee acknowledges that the foregoing power-of-attorney is deemed coupled with an interest.

#### 11. **SUSPENSION AND WITHDRAWAL.**

A. Licensor may, in its sole discretion, either suspend delivery or broadcast of any Program temporarily or withdraw any Program permanently if Licensor determines that the broadcasting thereof would or might: (i) infringe the rights of others; (ii) violate any law, court order, government regulation or other ruling of any governmental agency; or (iii) subject Licensor to any liability or litigation. Furthermore, Licensor may withdraw any Program (i) if Licensor determines that the rights to the literary, dramatic or musical material upon which said Program is based have expired or may expire during its License Term; (ii) if Licensor determines that Licensor's materials are unsuitable for making broadcast quality prints, tapes, cassettes or discs; or (iii) due to Force Majeure (as defined below).

B. Licensee shall not be entitled to claim damages for any suspension. If any suspension lasts for more than six (6) consecutive months, either party may terminate this Agreement with respect to the suspended Program on ten (10) days notice. If not so terminated then the License Term for the suspended Program may, in Licensor's sole discretion, be extended for the length of each suspension, but not beyond the expiration of Licensor's right to license the suspended Program to Licensee.

C. If any Program is withdrawn or this Agreement is terminated with respect to any Program after a suspension period, then Licensee shall be entitled, at Licensor's election, to: (i) a substitute Program of comparable quality to the withdrawn Program; or (ii) receive an equitable proportion as allocated by Licensor

of any amounts paid. Licensee's sole remedy shall be one of the remedies set forth in this subparagraph, except as provided in Paragraph 12.

D. "Force Majeure" means any fire, flood, earthquake, or public disaster; strike or labor dispute; unavailability of any major talent committed to the Program; unavoidable accident; breakdown of electrical or sound equipment; failure to timely perform by any laboratory or supplier; delay or lack of transportation; embargo, riot, war (whether or not declared), insurrection or civil unrest; any Act of God; any act of any legally constituted authority; or any other cause beyond the reasonable control of Licensor.

12. **TERMINATION OF PRODUCTION.** If production or delivery of the Program is terminated for any reason during the License Term, Licensor upon ten (10) days notice to Licensee may cancel this Agreement without further liability to Licensor. License fees shall be prorated to the effective date of termination. Licensee's barter obligation, if any, shall continue until the effective date of termination.

13. **EARLY TERMINATION.** Where the Agreement includes License Fee(s) as the only form of remuneration payable from Licensee to Licensor, at such time as the number of remaining unplayed telecasts equals twenty percent (20%) or less of the total number of telecasts licensed hereunder or at such time as eighteen (18) months or less remain of the License Term, Licensor may terminate the Agreement on thirty (30) days notice. In such event Licensor shall pay to Licensee (or credit Licensee's account with Licensor if such account is in arrears) an amount equal to the proportionate percentage of the unplayed telecasts to the total License Fee as allocated by Licensor.

#### 14. **DEFAULT.**

A. Licensee shall be deemed in default if: (i) Licensee fails to pay its debts when due; (ii) Licensee seeks relief under any bankruptcy law or similar provision for the protection of debtors; (iii) Licensee fails to make any payment in accordance with the terms of this Agreement and such failure continues for a period of ten (10) days; (iv) Licensee is in breach of or breaches any provision of this Agreement or any other agreement between Licensee and Licensor or any affiliate of Licensor; (v) Licensee attempts to make any assignment, transfer or sublicense of this Agreement without Licensor's consent as provided in Paragraph 20A; (vi) Licensee and/or Station ceases or suspends operations; or (vii) Licensee loses control of, whether voluntarily or otherwise, the Station, its interest therein, or its license to operate the Station.

B. In the event of a default by Licensee, Licensor may terminate this Agreement or any other agreement between Licensee and Licensor or any affiliate of Licensor and/or proceed against Licensee for legal and equitable relief and/or may suspend delivery of the Program and declare the License Fee (and any additional sums payable under the Agreement) immediately due and payable to Licensor regardless of the due date thereof. Upon Licensee's receipt of notice of default, Licensee shall return all Materials in Licensee's possession or under Licensee's control to Licensor immediately.

C. Default by Licensor is limited to the particular Program to which the default applies. No default by Licensor as to one Program shall be a default as to any other Program. Licensee shall promptly give Licensor written notice of any claimed default and Licensor shall have twenty (20) days after its receipt of such notice to commence and diligently pursue cure of such default. Only if Licensor fails to do so, may Licensee proceed against Licensor for available relief; provided that Licensee's sole remedy for breach of any provision of this Agreement shall be an action at law for damages, it being agreed that in no event shall Licensee be entitled to injunctive or other equitable relief.

15. **INSOLVENCY.** The parties hereby agree and intend that this Agreement is an executory contract governed by Section 365 of the U.S. Bankruptcy Code ("Bankruptcy Code"). In the event of Licensee's bankruptcy, the parties intend that any royalties payable under this Agreement during the bankruptcy period be deemed administrative claims under the Bankruptcy Code because the parties recognize and agree that the bankruptcy estate's enjoyment of this Agreement will (i) provide a material benefit to the bankruptcy estate during its reorganization and (ii) deny Licensor the benefit of the exploitation of the rights through alternate means during the bankruptcy reorganization. The parties acknowledge and agree that any delay in the decision of the trustee of the bankruptcy estate to assume or reject the Agreement (the "Decision Period") materially harms Licensor by interfering with Licensor's ability to alternatively exploit the rights granted under this Agreement during a Decision Period of uncertain duration. The parties recognize that arranging appropriate alternative

exploitation would be a time consuming and expensive process and that it is unreasonable for Licensor to endure a Decision Period of extended uncertainty. Therefore, the parties agree that the Decision Period shall not exceed sixty (60) days. Licensor, in its interest to safeguard its valuable interests (including, without limitation, its intellectual property rights in the licensed property), has relied on the particular skill and knowledge base of Licensee. Therefore, the parties acknowledge and agree that in a bankruptcy context this Agreement is a license of the type described by Section 365(c)(1) of the Bankruptcy Code and may not be assigned without the prior written consent of the Licensor.

**16. LICENSOR'S WARRANTIES.** Licensor represents and warrants that:

A. Except with respect to any material added by Licensee and except with respect to music which is specifically provided for herein, it has authority to license rights specified in this Agreement.

B. No exercise of rights granted to Licensee in any Program shall: (i) infringe any third party's copyright, trademark or other property right; or (ii) defame or violate any right of privacy or infringe any personal right of any third party.

C. Licensor shall advise Licensee of information, of which it has actual knowledge, concerning any matter included in the Program for which any money, service or other valuable consideration was paid, or accepted. This shall not include services or property furnished without charge, or at a nominal charge, for use on a Program unless it is furnished in consideration for an identification in the Program of any person, product, services, trademark, or brand name beyond an identification which is reasonably related to the use of the service or property in such Program.

**17. INDEMNITIES.**

A. Licensor shall indemnify and hold harmless Licensee (including its officers, directors, employees and agents) against any damages awarded in any final judgment entered against Licensee (other than for loss of profits or consequential damages sustained by Licensee) or settlement approved by Licensor, due to Licensor's breach of any of its representations or warranties, provided, however, prompt detailed written notice of claim of such breach or warranty is given by Licensee to Licensor. Licensor shall have full control over the defense and/or settlement of any claim or litigation including the right to engage its own counsel. Licensee shall cooperate fully with Licensor in the defense or settlement of any such claim or litigation.

B. Licensee shall indemnify and hold harmless Licensor (including its officers, directors, employees and agents) against all claims and expenses (including reasonable attorneys' fees) and liabilities arising from or as the result of (i) Licensee's failure to abide by any restriction on the exercise of any rights granted; (ii) any breach of any of Licensee's obligations, representations or warranties set out in this Agreement; or (iii) the broadcasting of any material in connection with or relating to the Program other than material contained in the Program as delivered by Licensor.

**18. INABILITY TO BROADCAST.** If, without Licensee's fault, Licensee is unable to broadcast the Program for thirty (30) or more continuous days by reason of any Act of God, governmental action, war (whether or not declared), flood, fire or public emergency, then Licensor may, in its sole discretion, extend the License Term with respect to any affected Program for the duration of any such period but not beyond the expiration of Licensor's right to license the Program to Licensee. This extension shall not increase Licensee's time to make payments. Licensor may suspend the delivery of Materials during any extension. If Licensee's inability to broadcast continues for more than six (6) months, then Licensor may terminate this Agreement and give Licensee an equitable adjustment of the total License Fee applicable to the Program not broadcast as allocated by Licensor.

**19. EXCLUSIVITY.** Licensor agrees that during the License Term it shall not license any Program in the English language:

(i) For broadcast by any other television station located in a community located less than thirty-five (35) miles away from the Station's respective reference point, as determined pursuant to the rules and regulations of the F.C.C. as of the date of this Agreement (see 47 CFR Section 76.53), provided that such exclusivity shall not preclude network broadcasts of the Program during the License Term; or

(ii) For local origination cablecasting by any cable television system operating within the "specified zone" of the Station's designated community in its Market as defined in the rules and regulations of the F.C.C. as of the date of the Agreement (see 47 CFR Section 76.5(e)).

**20. ASSIGNMENT.**

A. This Agreement is personal to Licensee. Licensee may not assign or transfer this Agreement, or sublicense or use an agent to exploit any of the rights granted to Licensee, whether voluntarily or involuntarily, without Licensor's prior written consent. An assignment or transfer of a controlling interest in Licensee's capital stock or other evidence of ownership shall require Licensor's consent. If Licensor does consent then this Agreement shall be binding on such authorized assignee, transferee, sublicensee or agent but shall not release Licensee of any of its obligations under this Agreement. Nothing in this paragraph shall release Licensee or its successors in interest from fulfilling Licensee's obligations hereunder.

B. Licensor may assign, transfer or sublicense any of its rights under this Agreement, but no such assignment, transfer or sublicense relieves Licensor of its obligations.

**21. DISPUTE RESOLUTION.**

A. Any and all controversies, claims or disputes arising out of or related to this Agreement or the interpretation, performance or breach thereof, including, but not limited to, alleged violations of state or federal statutory or common law rights or duties, and the determination of the scope or applicability of this agreement to arbitrate ("Dispute"), except as set forth in subparagraphs C and D, below, shall be resolved according to the procedures set forth in subparagraph B, below, which shall constitute the sole dispute resolution mechanism hereunder:

B. **ARBITRATION:** In the event that the parties are unable to resolve any Dispute informally, then such Dispute shall be submitted to final and binding arbitration. The arbitration shall be initiated and conducted according to either the JAMS Streamlined (for claims under \$250,000) or the JAMS Comprehensive (for claims over \$250,000) Arbitration Rules and Procedures, except as modified herein, including the Optional Appeal Procedure, at the Los Angeles office of JAMS, or its successor ("JAMS") in effect at the time the request for arbitration is made (the "Arbitration Rules"). The arbitration shall be conducted in Los Angeles County before a single neutral arbitrator appointed in accordance with the Arbitration Rules. The arbitrator shall follow California law and the Federal Rules of Evidence in adjudicating the Dispute. The parties waive the right to seek punitive damages and the arbitrator shall have no authority to award such damages. The arbitrator shall provide a detailed written statement of decision, which shall be part of the arbitration award and admissible in any judicial proceeding to confirm, correct or vacate the award. Unless the parties agree otherwise, the neutral arbitrator and the members of any appeal panel shall be former or retired judges or justices of any California state or federal court with experience in matters involving the entertainment industry. If either party refuses to perform any or all of its obligations under the final arbitration award (following appeal, if applicable) within thirty (30) days of such award being rendered, then the other party may enforce the final award in any court of competent jurisdiction in Los Angeles County. The party seeking enforcement shall be entitled to an award of all costs, fees and expenses, including attorneys' fees, incurred in enforcing the award, to be paid by the party against whom enforcement is ordered.

C. **INJUNCTIVE RELIEF:** Notwithstanding the foregoing, either party shall be entitled to seek injunctive relief (unless otherwise precluded by any other provision of this Agreement) in the state and federal courts of Los Angeles County.

D. **OTHER MATTERS:** Any Dispute or portion thereof, or any claim for a particular form of relief (not otherwise precluded by any other provision of this Agreement), that may not be arbitrated pursuant to applicable state or federal law may be heard only in a court of competent jurisdiction in Los Angeles County.

**22. AUDIT.**

A. Licensee shall keep full and accurate books and accounts with respect to the Program and Licensor shall have the right to audit and inspect said records at reasonable business hours, or to designate a representative to audit and inspect said records on Licensor's behalf. Licensee agrees that books and accounts are deemed to include all media where information is stored, including electronic media such as computer diskettes, magnetic tape, optical storage methods or any and all other formats necessary to analyze all data Licensor or Licensor's representative find necessary to analyze, review or inspect. Licensor shall have the absolute right to make copies of all data or information, regardless of what medium that data or

information may be stored upon. In the event that such examination by Licensor reveals any under-reporting or misrepresentation by Licensee of any item bearing upon the computation of the amounts payable to Licensor hereunder, Licensee agrees that in addition to recomputing and making immediate payment of the amounts due based on actual and true items together with interest thereon at the rate of two percent (2%) plus the prime rate of interest charged by and computed on borrowings from Bank of America or the maximum rate permitted by law, whichever is least, (i) Licensee shall, in addition, pay all costs and expenses incurred by Licensor in connection with such audit including any and all attorneys' fees incurred by Licensor in connection with the enforcement and collection of such under-reported or misrepresented amounts, and (ii) notwithstanding anything to the contrary contained herein, Licensor shall have the further right to audit Licensee's books and records retroactively to the commencement of the Agreement.

In the event Licensor decides to exercise this right and conduct an audit and/or an inspection of Licensee's business records, Licensor shall give Licensee at least ten (10) days advance written notice, with said audits limited to one time per calendar year. Licensee agrees that, at Licensor's own discretion, said audit and/or inspection shall be conducted by a nationally recognized firm of certified public accountants and/or by Licensor's own corporate audit department.

B. Licensee shall retain the books, accounts and records with respect to each Program or statement received by Licensor in connection therewith for three (3) years after such Program has been accounted for or such statement has been rendered unless a suit is commenced. However, nothing shall limit Licensor's rights at law in the event that Licensee shall have concealed information from or provided false information to Licensor or its auditors.

### 23. MISCELLANEOUS PROVISIONS.

A. In conflicts between any term of this Agreement and any material law, ordinance, rule or regulation, the latter shall prevail.

B. By entering into this Agreement with Licensee, Licensor does not waive any other breach or default by Licensee in connection with any other agreement. No waiver of any breach in this or any other agreement shall be a waiver of any other breach of the same or any other provision. No waiver is effective unless in writing.

C. All remedies are cumulative, and resort to one shall not preclude resort to any other at any time.

D. All notices shall be in writing and sent to the parties at addresses set forth in the Agreement or otherwise specified by the parties with notice to Licensor addressed to the attention of: Vice President, Contract Administration.

E. This Agreement contains the entire understanding of the parties regarding its subject matter and supersedes all previous written or oral understandings or representations between the parties if any.

F. This Agreement shall be construed under and governed (1) by the internal laws of the State of California applicable to contracts entered into therein without giving effect to its conflicts of the law provisions and (2) by the laws of the United States of America to the extent that those laws preempt California State law. Licensee's sole remedy for breach of any provision of this Agreement shall be an action at law for damages, it being agreed that in no event shall Licensee be entitled to injunctive or other equitable relief.

G. At no time in the past, present or future shall the relationship between Licensor and Licensee be deemed or intended to constitute an agency, partnership, joint venture, or a collaboration for the purpose of sharing any profits or ownership in common. Except as set forth in paragraph 10.B., neither party shall have the right, power, or authority at any time to act on behalf of or to represent the other party, but each party hereto shall be separately and entirely liable for its own debts in all aspects.

H. The headings of the paragraphs of this Agreement are for convenience only and shall not in any way affect the interpretation of any provision of this Agreement.

In order for any amendment or modification to this Agreement to be binding upon Licensor, it must be in writing and signed by both parties.

Telepictures Distribution, a division of Time Warner  
Entertainment Company L.P.  
4000 Warner Blvd.  
Burbank, CA 91522  
Telephone #(818) 954-6000

VOLUME 32

C7 00163

CONTRACT NO.  
April 28, 1997  
DATE

### DOMESTIC TELEVISION LICENSE AGREEMENT

Subject to timely payment of the Total License Fee and due performance of all other provisions of this Agreement. Licensor licenses solely to the Licensee named below, and Licensee licenses from Licensor, the following Programs on the following terms and conditions.

#### DEAL TERMS

LICENSEE	LICENSED STATION
Bay City TV, Inc.	XETV
ADDRESS	MARKET
8253 Ronson Road San Diego, CA 92111	San Diego, CA
PAYMENT/ADDITIONAL TERMS	

1. Subject to the due performance by Licensee of all of the terms and conditions of this Agreement to be kept and performed by Licensee, Licensor grants to Licensee and Licensee accepts a limited license under copyright to telecast each of the nineteen (19) motion pictures enumerated in Schedule "A" hereby annexed (hereinafter referred to as the "Picture" or "Pictures") during the term hereinafter defined, over the facilities of Licensee for free home reception for not more than one (1) exhibition or run and for no other use or purpose. In the Standard Terms and Conditions on the reverse hereof, the words "Program" and "Programs" shall have the same meaning as the words Picture and Pictures herein.
2. The Ad Hoc Term with respect to each Picture shall be for a period of approximately three (3) weeks commencing on the Ad Hoc Term Start Date set forth in the attached Schedule "A" opposite its title. Licensor may, by six (6) months prior written notice to Licensee, accelerate the commencement of Licensee's Ad Hoc Term with respect to any Picture or Pictures, in which event the Ad Hoc Term Start Date and End Date set forth therefor shall be deemed amended accordingly. However, the Ad Hoc Term for Pictures "The Bodyguard", "Dave", "Demolition Man", "Dennis The Menace", "Falling Down", "Forever Young", "Free Willy", "The Fugitive", "Made In America", "Point Of No Return" and "Unforgiven" will only be accelerated to a sweeps period (February, May, July or November). Licensor will provide a minimum of eighty (80) days rest period prior to the Ad Hoc Term for each Picture.
3. Licensee shall, in consideration of the license to telecast the Pictures during their Ad Hoc Term, telecast commercial announcements provided by Licensor pursuant to the provisions of Paragraph 4 below. The telecast by Licensee of such commercial announcements, whether or not Licensee telecasts the Pictures during their Ad Hoc Term, is of the essence of this Agreement and any failure so to do on the part of Licensee shall constitute a material default hereunder.
4. A copy of each Picture (except "Heaven And Earth" and "Wrestling Ernest Hemingway") will be delivered by Licensor to Licensee formatted for a total of twenty-two (22) minutes of commercial announcements, eleven (11) minutes of which shall be sold by Licensor and integrated by Licensor into the copy of the Picture ("Barter Time"), and eleven (11) minutes of which shall be retained by Licensee for its own use. The Picture "Heaven And Earth", a three (3) hour Picture, will be delivered with a total of thirty-three (33) minutes of commercial announcements, sixteen and one-half (16 1/2) minutes of which will be integrated by Licensor into the copy of the Picture, and the remaining sixteen and one-half (16 1/2) minutes will be retained by Licensee for its own use. The Picture "Wrestling Ernest Hemingway", a two and one-half (2 1/2) hour Picture, will be delivered with a total of twenty-seven (27) minutes of commercial announcements, thirteen and one-half (13 1/2) minutes of which will be integrated by Licensor into the copy of the Picture, and the remaining thirteen and one-half (13 1/2) minutes will be retained by Licensee for its own use. Licensee shall telecast one (1) run of each Picture during its Ad Hoc Term, which shall occur Saturday or Sunday between 10:00 AM and 10:00 PM. Licensee's failure to telecast any Picture or Pictures for one (1) run during its Ad Hoc Term, and during the time period specified above for such run, will not affect Licensee's obligation to telecast the Barter Time provided by Licensor for one (1) run during such Ad Hoc Term and during such time periods. If Licensee fails to provide such Barter Time, Licensee will at Licensor's election either promptly provide Licensor with comparable substitute commercial time or pay Licensor a fair dollar value for such time.
5. Notwithstanding anything to the contrary contained in paragraph 19 of the Standard Terms and Conditions or elsewhere in this Agreement, it is understood that Licensor may permit or license carriage by a third party of the Pictures within Licensee's specified broadcast zone or community and elsewhere by cable, telephone or any other device, method or system (except free over-the-air broadcasting), but only pursuant to a so-called "on demand" system which allows each viewer to order, on a fee basis or otherwise, the telecast of one or more of the Pictures at any selected time or times.
6. IT IS HEREBY AGREED by and between the parties to this Agreement that Licensee shall, by the terms of this Agreement, be entitled to invoke the protection against duplication of programming imported under Compulsory Copyright License, as provided in Section 76.151 of the FCC Rules.
  - a. Licensee may enter into an Agreement, in accordance with FCC regulations, to refrain from exercising the rights granted above provided that all money or other consideration received directly or indirectly by Licensee for such Agreement shall be paid by Licensee to Licensor, shall be deemed to be the property of Licensor and shall not affect any payments otherwise payable by Licensee hereunder.

When executed by Licensee and an authorized officer of Licensor, this will constitute a binding Agreement. If Licensee's execution is by an agent acting for a third party, such agent represents and warrants that it is duly authorized to execute this Agreement.

THIS AGREEMENT INCLUDES ALL THE TERMS AND CONDITIONS ON THE REVERSE

ACCEPTED

Telepictures Distribution, a division of Time Warner Entertainment Company, L.P.

LICENSEE

Bay City TV, Inc.

By: Jeanie Olanow  
Signature  
JEANIE OLANOW VP, gm  
(PRINT OR TYPE NAME & TITLE)

By: David J. Cooper 10/20/97  
Signature  
David J. Cooper  
Vice President

# STANDARD TERMS AND CONDITIONS

## 1. TELECASTING RIGHTS.

- a. Programs may only be telecast: (i) on Free TV up to the number of times specified in the Deal Terms; (ii) if the Licensed Station is a UHF or VHF broadcast, or translator television station, then only from the existing originating transmitter of the Licensed Station specified in the Deal Terms; and (iii) if the Licensed Station is a local cable television system, then only to the individual subscribers of the system located within the Market described in the Deal Terms.
- b. "Free TV" means over-the-air VHF or UHF broadcast, or cable television transmission causing program reception on a home television receiver or like device free of charge to the viewer. Neither governmental television receiver assessments nor taxes, nor periodic service charges made by cable systems (other than a charge for pay television viewing) will be considered a viewer charge.
- c. Licensee may not authorize any telecast to be amplified, retransmitted or relayed by any translator or booster station, satellite, community antenna system, cable television system, or any other method not expressly authorized in this Agreement.
- d. Licensor reserves all rights in each Program not licensed to Licensee. Licensor may exploit them as Licensor sees fit without restriction.

2. **TERM.** The License Term for each Program begins on the earlier of the date of first telecast of the Program, or the Start Date stated in the Deal Terms or on any attached Schedule. Licensor may change the Start Date for any Program upon 10 days' notice. The Term for each Program will end on the earlier of the End Date specified in the Deal Terms or the date of its last licensed telecast.

## 3. COMPENSATION TERMS.

- a. **Cash:** Where the Deal Terms include monetary payments, Licensee will pay the amounts specified for each Program whether or not all authorized telecasts occur. Monthly payments are due on the first of each consecutive month beginning as stated in the Deal Terms, continuing uninterrupted until the Total License Fee is paid or the last authorized telecast whichever is earlier.
- b. **Barter:** Where the Deal Terms include commercial time, Licensee will provide the commercial time specified for each Program whether or not all authorized telecasts occur. If Licensee fails to provide any required commercial time, Licensee will at Licensor's election either promptly provide Licensor with comparable substitute commercial time or pay Licensor a fair dollar value for such time.
- c. **General:** Each payment must be made to Licensor free of any off-sets, claims, taxes or other charges. Any payment not made within 30 days of its due date will bear interest at the highest legal rate. Timely payment or provision of all commercial time is the essence of this Agreement, and is an express condition precedent to Licensee's right to exercise any Telecasting Rights in any Program.

4. **USAGE REPORTS.** Licensee will notify Licensor within 10 days after the end of each month regarding the title and dates of telecast of each Program telecast during the preceding month. Licensee will furnish Licensor with an affidavit of performance with respect to telecast of any of Licensor's commercial announcements.

## 5. See attached Program Materials Rider.

## 6. MATERIALS.

- a. Licensee will examine all Materials immediately after their receipt. If any are unsuitable Licensee will immediately notify Licensor who will then furnish suitable replacements. A Program will be deemed suitable unless notice of defect is given within 3 business days following receipt.
- b. See attached Program Materials Rider.
- c. All materials which Licensee produces for the telecast of any Program will become the property of Licensor. At the end of the Term Licensee will ship them to the location designated by Licensor.

## 7. RESTRICTIONS ON ALTERATIONS.

- a. Licensee, at its own expense, may insert commercials in Program(s) but not in a manner which adversely affects a Program's artistic or pictorial quality. All commercials inserted by Licensee must be removed without damage before the Program is returned. A "cut in" fee may not be charged.
- b. Except for inserting commercials, Licensee may not alter, serialize any Program, Licensee may not edit or alter the copyright notice, trademark, notice or credits in any Program. Where Licensor has provided commercial time, Licensee will telecast each Program with commercial(s) provided by Licensor.
- c. Licensee will not alter any material provided to Licensee by Licensor without Licensor's prior permission, including, but not limited to, print ads, radio, television or cable spots.

8. **ADVERTISING AND BILLING.** Licensee will comply with Licensor's advertising and billing requirements for each Program. None of Licensee's advertising or billing will: (i) infringe on the rights of others; or (ii) constitute an endorsement of any product, service or sponsor, other than the Program itself. Licensee will not advertise any Program withdrawn by Licensor. No authorized excerpt from any Program may exceed 3 minutes or 7500 feet in length.

9. **MUSIC.** Licensor represents that the non-dramatic television performing rights in the music embodied in each Program: (a) are controlled by BMI, ASCAP, SESAC, or other performing rights society having authority over Licensee's telecast of the Program; (b) are in the public domain; or (c) are controlled by Licensor to the extent necessary to permit Licensee's telecast of each Program. Upon request Licensor will furnish Licensee with available music cues sheets for any Program. With respect to music in category (a), Licensee will at its own expense obtain any licenses required to telecast or perform any such music.

10. **TAXES.** Licensee will pay all taxes (including without limitation sales, use, VAT and import and export taxes and charges, including interest and penalties, now or later imposed on or resulting from the license, rental, delivery, telecast, possession or use by Licensee of any Program.

11. **EARLY TERMINATION.** Prior to expiration of the Term, if the number of remaining telecasts equals ten percent (10%) or less of the number licensed or eighteen (18) months or less remain of the Term, Licensor may terminate the agreement on thirty (30) days notice. Licensee shall receive a credit for the unused telecasts equal to ten percent (10%) of the original price per episode of the Program.

## 12. SUSPENSION AND WITHDRAWAL.

- a. Licensor may either suspend Delivery or telecast of any Program or withdraw any Program: (a) if Licensor determines that its telecast might infringe the rights of others, violate any law, or subject Licensor to any liability; (b) if Licensor determines that its Materials are unsuitable for making telecast quality prints, tapes, cassettes or discs; (c) due to Force Majeure.
- b. Licensee will not be entitled to claim damages for any suspension. If any suspension lasts for more than 6 consecutive months, either party may terminate this Agreement with respect to the suspended Program on 10 days' notice. The Term for the suspended Program will be extended for the length of each suspension.
- c. If any Program is withdrawn or this Agreement is terminated with respect to a Program after a suspension period, then Licensor may either substitute a mutually satisfactory program of like quality or return an equitable proportion of any amounts paid. Licensee's sole remedy will be to receive such substitute or refund. Except as provided in Paragraph 13, a Program is deemed to have been telecast, for refund or credit purposes, one time for each year during which Licensee had, but did not exercise, the right to telecast such Program.
- d. "Force Majeure" means any fire, flood, earthquake, or public disaster, strike or labor dispute; unavailability of any major talent committed to the Program; unavoidable accident; breakdown of electrical or sound equipment; failure to timely perform by any laboratory or supplier; delay or lack of transportation; embargo, riot, war, insurrection or civil unrest; any Act of God; any act of any legally constituted authority; or any other cause beyond the reasonable control of Licensor.

13. **TERMINATION OF PRODUCTION.** If production or delivery of the Programs is terminated for any reason during the Term, Licensor may, upon 10 days notice to Licensee may cancel this Agreement without further liability to Licensor. Licensee fees shall be prorated to the effective date of termination. Licensee's barter obligation, if any, will continue until the effective date of termination.

## 14. DEFAULT.

- a. Licensee will default if: (i) Licensee fails to pay its debts when due; (ii) Licensor seeks relief under any bankruptcy law or similar provision for the

protection of debtors; (iii) Licensee breaches any provision of this Agreement or any other agreement between Licensee and Licensor or any affiliate of Licensor; (iv) Licensee attempts to make any assignment, transfer or sublicense of this Agreement without Licensor's consent as provided in Paragraph 20a; or (v) Licensee ceases or suspends operations.

b. Licensor will give Licensee written notice of any claimed default. Licensee will have 10 days after its receipt to cure any monetary default, and 20 days after its receipt to commence and diligently pursue cure of any non-monetary default. If Licensee fails to do so, Licensor may terminate this Agreement as to any Programs licensed. Licensor may then proceed against Licensee for legal and equitable relief, including suspending delivery of Programs and enforcing all unpaid amounts due Licensor immediately due and payable.

c. Default by Licensor is limited to the particular Program to which the default applies. No Licensor default as to one Program will be a default as to any other Program. Licensee will promptly give Licensor written notice of any claimed default and Licensor will have 20 days after its receipt to commence and diligently pursue cure of such default. Only if Licensor fails to do so, may Licensee proceed against Licensor for available relief.

d. Licensee submits to the jurisdiction of the courts in Southern California as appropriate forums for settling disputes.

15. **LICENSEE INSOLVENCY.** If Licensee files any petition for voluntary relief under any chapter of the Bankruptcy Code ("Code"), or has filed against it any petition for involuntary relief, then Licensor may declare Licensee in default. If Licensor is prevented from exercising any of its rights or remedies without first obtaining leave of the bankruptcy court, then Licensee will, within 30 days of the filing of the petition, arrange for the filing of a motion to affirm or reject this Agreement and will perform all of its obligations under this Agreement as if this Agreement were one within the purview of Section 365(d) of the Code. Any costs, damages or expenses incurred by Licensor due to any post-petition default(s) will be deemed an administrative claim under the Code if Licensor is required to pay any post-petition obligation of Licensee, then on all amounts so paid Licensor will be entitled to administrative priority. All references to the "Bankruptcy Code" refer to Title 11 United States Code, § 101 et. seq., as now existing or later amended.

## 16. LICENSOR'S WARRANTIES.

- Licensor represents and warrants that:
- a. Licensor has authority to license rights specified in this Agreement. Licensor has not licensed to another the rights granted to Licensee.
  - b. No exercise of rights granted to Licensee in any Programs will: (i) infringe any third party's copyright, trademark or other property right; or (ii) defame, violate any right of privacy or infringe any personal right of any third party.
  - c. Licensor will advise Licensee of information, of which it has actual knowledge, concerning any matter included in the Program for which any money, service or other valuable consideration was paid, or accepted. This shall not include any copyright, trademark or other property right, or a nominal charge, for use on a Program unless it is furnished in consideration for an identification in the Program of any person, product, service, trademark, or brand name beyond an identification which is reasonably related to the use of the service or property in such Program.

## 17. INDEMNITIES.

- a. Licensor will indemnify and hold harmless Licensee (including its officers, directors, employees and agents) against all claims, expenses (including reasonable attorneys' fees) and liabilities due to Licensor's breach of any of its representations or warranties.
- b. Licensee will indemnify and hold harmless Licensor (including its officers, directors, employees and agents) against all claims and expense (including reasonable attorneys' fees) and liabilities due to Licensee's failure to abide by any restriction on the exercise of any rights granted and for any breach of any of Licensee's obligations, representations or warranties set out in this Agreement.

18. **ABILITY TO TELECAST.** If, without Licensee's fault, the Licensed Station is unable to telecast the Program(s) for 30 or more consecutive days by reason of any Act of God, governmental action, war, flood, fire or public emergency, then Licensee may extend the Term for the duration of any such period but not more than 6 months. The extension shall not increase Licensee's time to make payments. Licensor may suspend the delivery of Materials during any such extension. If Licensee's inability to telecast continues for more than 6 months, then Licensor may terminate this Agreement and give Licensee an equitable adjustment of the Total License Fee applicable to the Programs not telecast.

19. **EXCLUSIVITY.** Licensor agrees that during the Term it will not license any Program:

- (i) For broadcast by any other television station in a community located less than 25 miles away from the Licensed Station's respective reference point, as determined pursuant to the rules and regulations of the F.C.C. as of the date of this Agreement (see 47 CFR § 78.53); or
  - (ii) For local origination cablecasting by any cable television system operating within the "specified zone" of the Licensed Station's designated community in its market as defined in the rules and regulations of the F.C.C. as of the date of this Agreement (see 47 CFR § 78.510).
- Exclusivity protection is not given against retelecasts or secondary transmissions by cable systems of distant broadcast signals originating outside the Licensed Station's "specified zone" pursuant to a compulsory license or otherwise.

## 20. ASSIGNMENT.

- a. This Agreement is personal to Licensee. Licensee may not assign or transfer this Agreement, or sublicense or use an agent to exploit any of the rights granted to Licensee, whether voluntarily or involuntarily, without Licensor's prior written consent. An assignment or transfer of a controlling interest in Licensee's capital stock or other evidence of ownership to which Licensor's consent is required does not constitute an assignment or transfer of this Agreement unless Licensor does consent that this Agreement will be binding on such authorized assignee, transferee, sublicensee or agent but will not release Licensee of any of its obligations under this Agreement. Licensee will require each assignee or transferee to assume this Agreement in full.
- b. Licensor may assign, transfer, or sublicense any of its rights under this Agreement but no such assignment, transfer or sublicense relieves Licensor of its obligations.

## 21. MISCELLANEOUS PROVISIONS.

- a. In conflicts between any term of this Agreement and any material law, ordinance, rule or regulation, the latter will prevail.
- b. No waiver of any breach will be a waiver of any other breach of the same or any other provision. No waiver is effective unless in writing.
- c. All remedies are cumulative, and resort to one will not preclude resort to any other at any time.
- d. All notices and payments will be sent to the parties at the address specified in the Deal Terms. Either party may change its place for notice by like notice.
- e. This Agreement contains the entire understanding of the parties regarding its subject matter and supercedes all previous written or oral understandings or representations between the parties, if any.
- f. This Agreement is governed by United States Copyright Law and the Laws of California.
- g. Any action or proceeding based upon or arising out of this Agreement shall be prosecuted only in the Courts of the State of California and for such purpose Licensee constitutes and appoints the Secretary of State of the State of California or the United States Marshal for the Central District of California as its agent to receive service of any and all process in any such action or proceeding.

In order for this Agreement, or any amendment or modification of it, to be binding upon Licensor, it must be in writing and signed by both parties.

## LICENSING POLICY

LICENSEE ACKNOWLEDGES THE FOLLOWING: (a) LICENSEE IS FULLY AWARE OF LICENSOR'S POLICY TO AFFORD LICENSEE AND ALL OTHER TELEVISION STATIONS AND CABLE SYSTEMS IN LICENSEE'S MARKET AREA THE OPPORTUNITY TO LICENSE SEPARATELY ANY ONE OR MORE OF THE PROGRAMS THAT LICENSOR HAS AVAILABLE IN LICENSEE'S MARKET AREA AND THAT LICENSOR HAS ACTUALLY AFFORDED LICENSEE SUCH AN OPPORTUNITY; (b) LICENSOR HAS SUBMITTED TO LICENSEE A SEPARATE LISTING AND ITEMIZATION OF EACH SUCH AVAILABLE PROGRAM; (c) THE INCLUSION OF MORE THAN ONE PROGRAM IN THIS AGREEMENT IS FOR CONVENIENCE ONLY AND LICENSEE IS FREELY ENTERING INTO THIS AGREEMENT UPON THE TERMS CONTAINED IN IT, THAT THERE ARE NO CONDITIONS OR REPRESENTATIONS OF ANY KIND OTHER THAN THOSE EXPRESSLY STATED IN IT, AND THAT IN LICENSING ANY ONE PROGRAM UNDER THIS AGREEMENT LICENSOR IN NO WAY HAS COMPELLED LICENSEE TO LICENSE ANY OTHER PROGRAMS; (d) LICENSOR HAS ADVISED LICENSEE THAT LICENSOR HAS ANY AUTHORITY TO ALTER THIS POLICY NOR HAS ANY SUCH REPRESENTATIVE ATTEMPTED TO DO SO.

WINDOWS FOR "BODY SNATCHERS" + "FOREVER YOUNG" HAVE BEEN CHANGED. AWAITING LETTER CONFIRMING NEW WINDOWS. 11-7-97

SCHEDULE "A"

19 PICTURES - VOLUME 32

This Schedule "A" is attached to and forms a part of the agreement # C7 00163 ("Agreement") between Telepictures Distribution, a division of Time Warner Entertainment Company, L.P. ("Licensor") and Bay City TV, Inc., licensee of television station XETV ("Licensee").

TITLES	AD HOC TERM	
	START DATE	END DATE
BODY SNATCHERS	6/22/98	7/12/98
BODYGUARD, THE	2/3/03	2/23/03
CRUSH, THE	1/17/00	2/6/00
DAVE	4/23/01	5/13/01
DEMOLITION MAN	7/1/02	7/21/02
DENNIS THE MENACE	2/21/00	3/12/00
FALLING DOWN	1/24/00	2/13/00
FEARLESS	9/6/99	9/26/99
FOREVER YOUNG	10/23/00	11/12/00
FREE WILLY	7/1/02	7/21/02
FUGITIVE, THE	1/31/05	2/20/05
HEAVEN AND EARTH	10/6/97	10/26/97
MADE IN AMERICA	2/19/01	3/11/01
MAN WITHOUT A FACE, THE	7/24/00	8/13/00
POINT OF NO RETURN	11/3/97	11/23/97
SECRET GARDEN, THE	6/28/99	7/18/99
SOMMERSBY: Parts I & II	1/22/01	2/11/01
TRUE ROMANCE	7/6/98	7/26/98
UNFORGIVEN	1/27/03	2/16/03

10/20/97

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