

1 understand that before any meaningful negotiations could
2 even take place?

3 A. I don't know that that's true, but they insisted
4 on it as a condition of any agreement.

5 Q. And did the folks at ABC explain to you at any
6 time why they believed time period exclusivity was so
7 important to them?

8 A. Yes, because it would increase the ratings and,
9 therefore, enhance their ability to sell the programming
10 to advertisers.

11 Q. And did they also explain to you why that would
12 adhere to the benefit of the Pac-10 Conference?

13 A. Increase ratings, increase sales, would benefit
14 ABC, and it would be better able to participate in the
15 future in an agreement with us.

16 Q. Well, I mean, they made it pretty clear to you if
17 they were able to garner higher ratings and, therefore,
18 sell advertising minutes for more money, they could afford
19 to pay the Pac-10 Conference more money for the exposures
20 they contracted for them; fair enough?

21 A. If there was a future agreement, yes.

22 Q. And you understood that the existing agreements
23 were premised upon ABC's ability to project what the
24 ratings were going to be based on past performance, what
25 the revenue dollars were going to be based upon those
26 ratings, and they then figured out what they could afford

1 to pay the Pac-10 Conference and make a profit on the
2 games, correct?

3 A. Well, that's generally how the networks explain
4 what their mode of operation is. Whether or not they said
5 that to us at any particular time, I don't recall.

6 Q. But that was your understanding?

7 A. That's what they claim.

8 Q. Do you disagree with that?

9 A. I always have some skepticism when I deal with
10 the networks.

11 Q. Why is that, sir?

12 A. They're in business to make a profit.

13 Q. So you think they might not be giving you all the
14 information?

15 A. I think at times they might be selective.

16 Q. Are there any particular instances which come to
17 mind which have led you to that conclusion, sir?

18 A. No.

19 Q. And obviously in your capacity as the Pac-10
20 commissioner, it's your job, I take it, to try to get as
21 much money for the contracts as you possibly can for the
22 benefit of your constituent members?

23 A. No, that's not always true. We would be
24 selective in what we would do to maximize rights fees.

25 Q. Fair enough. Assuming that you could legally get
26 the highest price possible, that's what you would do?

1 A. No. You misunderstand.

2 Q. Okay.

3 A. There are some things you don't do, don't agree
4 to, that the networks would like to do that might drive
5 the price up.

6 Q. For example, what things?

7 A. More commercial time.

8 Q. What else?

9 A. More games, more games of different, unusual
10 dates or unusual start times.

11 Q. ABC has not denied that one of the things that
12 they hope to do by exclusivity windows is to minimize the
13 amount of head-to-head competition that they have with
14 other networks or other televising or cablecasting
15 vendors, correct?

16 MR. HAUSER: I think that's compound and complex
17 when you mix in the other networks and so forth.

18 A. I don't know what ABC has denied. You'd have to
19 ask ABC.

20 MR. CRIPE: Q. It's your understanding that
21 one of the important aspects of the exclusivity provisions
22 for ABC, and they've so told you in substance or effect,
23 is to limit head-to-head competition for college football
24 games? In other words, in order to get those higher
25 ratings, they don't want another Pac-10 game being shown
26 at the same time?

1 A. They do not want that, yes.

2 Q. And that's a limit on head-to-head competition,
3 isn't it?

4 A. In a particular time period, it is.

5 Q. So, from ABC's perspective, they want that
6 exclusivity window so that the Pac-10 can't show a home
7 game on KMPH back to the local market of Fresno State
8 because ABC has a concern that, at least in that local
9 market, more people are likely to watch that game of local
10 interest than the national game that ABC may have
11 contracted for?

12 MR. HAUSER: I'll object to that as calling for
13 speculation as to what, if anything, ABC thought about
14 Fresno State and so on, and so forth.

15 A. I've never discussed Fresno State or the Fresno
16 market with ABC.

17 MR. CRIFE: Q. That was just an example, sir.
18 You've been involved in the televising of college football
19 for many, many years, correct?

20 A. Yes, sir.

21 Q. You look at ratings, don't you?

22 A. Yes.

23 Q. Because that's important in your job in
24 negotiating contracts, right?

25 A. Yes.

26 Q. And you're aware, under certain circumstances,

1 that games of local interest have higher ratings in a
2 local ADI than do games of national interest?

3 A. That can be correct on occasion, yes.

4 Q. It's frequently true?

5 A. And vice versa.

6 Q. It's frequently true, is it not?

7 A. I don't know about frequently. You'd have to
8 examine years of telecasting on a market-by-market basis
9 to reach a conclusion.

10 Q. Well, you understand that one of the reasons that
11 ABC wants an exclusivity window is to limit head-to-head
12 competition with games of local interest on local
13 television stations, correct?

14 MR. HAUSER: Again, I think that might call for
15 speculation on his part, but I won't instruct him not to
16 answer.

17 A. ABC wants to maximize its ratings, that I
18 understand, and there are different ways that that can be
19 done. If there's any way that can be done to maximize
20 ratings, ABC would be interested in that.

21 MR. CRIPE: Q. In a local ADI of those fans
22 watching a local game would be one way, wouldn't it?

23 A. It could be one way.

24 Q. Now, who's Charles Neinas?

25 A. He is the current executive director of the
26 College Football Association.

1 given Saturday?

2 A. No. First of all, it's never happened.
3 Secondly, not home games. We would never be able to tie
4 up the 9:00 o'clock in the morning window with a home
5 game.

6 Q. Well, contractually it could be done. Whether or
7 not anyone would show up is another matter; fair enough?

8 A. Or contractually it might be possible, but it's
9 never been done.

10 Q. And that's because you can't get anybody to go to
11 a game at 9:00 o'clock in the morning?

12 A. That's because nobody is going to schedule a game
13 at 9:00 o'clock in the morning for a myriad of reasons.

14 Q. Including difficulty in getting folks to the
15 game?

16 A. Yes.

17 Q. But whether or not it's difficult, impractical,
18 or otherwise, it's contractually permitted, is it not,
19 through a combination of ABC, Prime Ticket Network, and
20 ESPN on a given Saturday that all four exclusivity windows
21 would be tied up by those three vendors?

22 A. Theoretically possible.

23 Q. Isn't it true that, as a practical matter, for
24 the live telecasting or cablecasting of Pac-10 football
25 games, we're really only dealing with three windows
26 because of the difficulty occasioned by a 9:00 a.m. or

1 reference to that same concept throughout.

2 Q. Now, why is it that the Pac-10 has entered into
3 an agreement with Prime Ticket that allows Prime Ticket to
4 sublicense its rights to ESPN rather than entering into a
5 contract with ESPN directly, if you know?

6 A. In 1988, when we negotiated with two parties, we
7 really eventually had a bidding process with two parties
8 competing for these rights, one being Sports Channel and
9 the other being Prime Ticket Network. ESPN had talked to
10 us about the same rights, but, at the time of the
11 negotiations, they came and said to us that they could
12 only accommodate a limited amount of inventory and,
13 therefore, they were joining with Prime Ticket in bidding
14 for the rights, and they would take a limited portion of
15 the rights through Prime Ticket.

16 Q. So it was your understanding that there was an
17 agreement between ESPN and Prime Ticket Network that they
18 would jointly, in effect, pool their resources to make a
19 bid for the rights to Pac-10 games and, pursuant to the
20 agreement between Prime Ticket and ESPN, they would divide
21 up the inventory as they saw fit?

22 A. No, I can't tell you that I knew of any pooling
23 of resources. They were going to do a combined
24 presentation to us. As I recall from the start, they were
25 very limited in their participation, so not to quarrel
26 with your characterization, except it was clear that the

1 primary party was Prime Ticket Network, not the much
2 larger national ESPN. The ESPN people informally talked
3 to us the day before the process began and then did not
4 appear with Prime Ticket, so it was clearly we were doing
5 business with Prime Ticket and it was sliding off -- I
6 don't know the right technical words, but it was going to
7 share a relatively small portion of the inventory with
8 ESPN.

9 Q. And, based upon the agreement in 1991, how many
10 exposures during 1991 was ESPN allowed?

11 A. Two.

12 Q. And are they entitled to only two exposures to
13 date?

14 A. Yes, in one year. I think that answer is
15 incorrect as to '93, today. They came and got
16 authorization to purchase additional games, as I recall,
17 up to four, the two they already have plus two more. They
18 didn't exercise the option, but I think technically,
19 legally right now today, they could have bought four games
20 this year. That's the only year, past, present, or
21 future, that that's the case.

22 Q. Unless you agree otherwise, were you advised at
23 any time by Prime Ticket Network and/or representatives of
24 ESPN that the reason for the sublicense agreement had to
25 do with ongoing negotiations or discussions between Prime
26 Ticket Network and ESPN concerning a possible merger?

1 their selections. You told me that's in January, they
2 give you some preliminary information, and it's firmed up
3 in March as to the first three games of the schedule or
4 the games in September.

5 A. And some others.

6 Q. After those initial selections are made, then as
7 the contract existed between the Pac-10 and ABC in 1991,
8 what was the selection mechanism by what day, how long
9 before the scheduled game, and in what fashion was ABC
10 obligated to make the selection?

11 A. ABC, twelve days before the day of the games,
12 that is, the Monday prior to the second Saturday, would
13 notify us by telegram, preceded usually by a phone call,
14 of what its selections were.

15 Q. Now, I also saw a reference to both a twelve- and
16 a six-day selection.

17 A. Yes. On three occasions a year, they can put,
18 not to exceed two games, either conference into a holding
19 pattern for an additional week and then make that on the
20 Monday of the week of the games.

21 Q. And with regard to Prime Ticket Network, what was
22 their obligation in 1991 with regard to the selection of
23 games?

24 A. They are to pick as soon as they can immediately
25 after ABC makes its selections.

26 Q. Now, "as soon as it can" sounds like a somewhat

1 imprecise parameter. As a practical matter, what has that
2 meant? If ABC doesn't make its selection until twelve
3 days, then how long after that does Prime Ticket Network
4 typically make its selection?

5 A. It usually has a relatively good idea where it's
6 going to go, and it usually does it within a few hours.
7 It depends on where its people are and that sort of thing,
8 but there have been occasions when it hasn't been
9 prepared. ABC has done something it doesn't expect or it
10 has scheduling problems. It has waited 24 hours or
11 something. It's imprecise in the contract, but it's
12 understood that it is to get going as quickly as possible
13 so that the institutions know and can make other plans for
14 their other telecasts if they're not selected and so that
15 Prime Ticket can get going on assignment of production
16 people and so forth.

17 Q. Now, in those I think you said three occasions
18 per season --

19 A. Between the Pac-10 and the Big Ten.

20 Q. -- ABC can, in effect, put a hold on its
21 selection for an additional six days.

22 A. Only a limited number of games.

23 Q. But, in those instances, I presume Prime Ticket
24 Network is not in a position to make its selection until
25 ABC has done so?

26 A. Sometimes it does. Sometimes it will take a



THOMAS C. HANSEN, COMMISSIONER
800 SOUTH BROADWAY, SUITE 400
WALNUT CREEK, CA 94596 PHONE: 415 932-4411

August 9, 1991

MEMORANDUM

TO: Pac-10 Men's Administrative Committee, Television Administrators,
Sports Information Directors

FROM: Kirk A. Hendrix, Assistant Commissioner

SUBJECT: Local Football Telecast Windows for 1991

Attached are the local football telecast windows for 1991. This information reflects what latitude each of you have for programming local telecasts.

Prime Ticket Network has yet to identify if it will televise in the 3:30 or 7:00 p.m. slot on October 19. Once it has made its selection, we will communicate that to you.

A couple of reminders: delayed telecasts of the Pac-10 ABC series game each week cannot be replayed until after 10:30 p.m. local time.

Should you wish to air a delayed telecast of any game, other than an ABC origination, you still must abide by the local available windows.

Please call Jim Muldoon should you have any questions.

KAH:vh

cc: Thomas C. Hansen
Jim Muldoon

EXH. 1 DATE 11/3/93
WITNESS Thomas Hansen
LAURA A. HOBIZAL, CSR #9711

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PACIFIC-10 CONFERENCE FOOTBALL TELEVISION WINDOW

<u>DATE</u>	<u>ABC</u>	<u>PTN</u>	<u>ESPN</u>	<u>LOCAL AVAILABLE</u>
9/07/91	12:30 p.m.	3:30 p.m.	∅	Prior to 9:45 a.m./After 6:15 p.m.
9/14/91	6:00 p.m.	3:30 p.m.	∅	Prior to 12:45 p.m./After 8:45 p.m.
9/21/91	12:30 p.m.	7:00 p.m.	∅	Prior to 9:45 a.m./Between 3:15-4:15 p.m.
9/28/91	12:30 p.m.	∅	8:00 p.m.	Prior to 9:45 a.m./Between 3:15-5:15 p.m.
10/05/91	12:30 p.m.	3:30 p.m.	8:00 p.m.	Prior to 9:45 a.m./After 10:45 p.m.
10/12/91	12:30 p.m.	3:30 p.m.	∅	Prior to 9:45 a.m./After 6:15 p.m.
10/19/91	12:30 p.m.	TBA	∅	Prior to 9:45 a.m./TBA
10/26/91	12:30 p.m.	∅	∅	Prior to 9:45 a.m./After 3:15 p.m.
11/02/91	12:30 p.m.	3:30 p.m.	∅	Prior to 9:45 a.m./After 6:15 p.m.
11/09/91	12:30 p.m.	3:30 p.m.	∅	Prior to 9:45 a.m./After 6:15 p.m.
11/16/91	12:30 p.m.	3:30 p.m.	∅	Prior to 9:45 a.m./After 6:15 p.m.
11/23/91	12:30 p.m.	3:30 p.m.	∅	Prior to 9:45 a.m./After 6:15 p.m.

NOTES:

The "Local Available" column provides the local Current Pacific Time when a member institution may begin a telecast of its football game and not be in conflict with the telecasts on that date of ABC, Prime Ticket or ESPN.

A couple of reminders: delayed telecasts of the Pac-10 ABC series game each week cannot be replayed until after 10:30 p.m. local time.

Should you wish to air a delayed telecast of any game, other than an ABC origination, you still must abide by the local available windows.

∅ = No Game

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THOMAS C. HANSEN, COMMISSIONER
800 SOUTH BROADWAY, SUITE 400
WALNUT CREEK, CA 94596 PHONE: 415 932-4411

May 21, 1991

MEMORANDUM

TO: Pac-10 Athletic Directors, Television Administrators, Sports Information Directors
FROM: Kirk A. Hendrix, Assistant Commissioner
RE: Football Telecast Schedule Update

////////////////////////////////////
Prime Ticket Network has confirmed its Pac-10 football selections for the first three weeks of September, thereby, providing the Conference with a full telecast schedule for Sept. 7, 14, 21 and beyond. The confirmed telecast schedule to date is attached:

vh

cc: Tom Hansen
David Price
Jim Muldoon
Christine Hoyles
Mike Matthews
Verle Sorgen

EXH. 1a DATE 11/3/93
WITNESS Thomas Hansen
LAURA A. HOBIZAL, CSR #9711

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K 00011

**PACIFIC-10 CONFERENCE
 CONFIRMED TELECAST SCHEDULE
 1991 FOOTBALL**

DATE	ABC	PRIME TICKET	ESPN
9/07	12:30 p.m.-Arizona @ Ohio State 12:30 p.m.-Washington @ Stanford	3:30 p.m.-Washington St @ Oregon	
9/14	6:00 p.m.-Penn State @ USC	3:30 p.m.-Stanford @ Arizona	
9/21	12:30 p.m.-Arizona State @ USC 5:00 p.m.-Washington @ Nebraska *	7:00 p.m.-Cal @ Arizona	
9/28			8:00 p.m.-USC @ Oregon
10/5			8:00 p.m.-Notre Dame @ Stanford
10/12			
10/19			
10/26			
11/02			
11/09			
11/16			
11/23			
All times are Current Pacific Time * CFA Crossover game		KAH:5/21/91	

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THOMAS C. HANSEN, COMMISSIONER
800 SOUTH BROADWAY, SUITE 400
WALNUT CREEK, CA 94596 PHONE: (415) 932-4411

September 6, 1990

Mr. John C. Severino
President/Chief Executive Officer
Prime Ticket Network
10000 Santa Monica Blvd.
Los Angeles, CA 90067

Dear Sev:

Enclosed are two executed original copies of the amendment to the Pac-10/Prime Ticket contract to accommodate our agreement with ESPN.

I apologize for the delay. They arrived during my vacation absence, and we mishandled them. Kitty Gregoryk saved me by remembering them.

I retained one original, and I assume you will forward one to ESPN.

Cordially,

Thomas C. Hansen

cc: Chris W. Burford, III
F. A. Geiger
Charles S. Harris
John A. Hauser
Kirk A. Hendrix

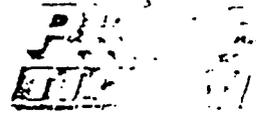
bcc: Katherine H. Gregoryk

EXH. 2 DATE 11/3/93
WITNESS Thomas Hansen
LAURA A. HOBIZAL, CSR #9711

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RECEIVED
JUN 5 1993

PACIFIC-10 CONFERENCE



John C. Severino
PRESIDENT & CHIEF EXECUTIVE OFFICER

June 4, 1990

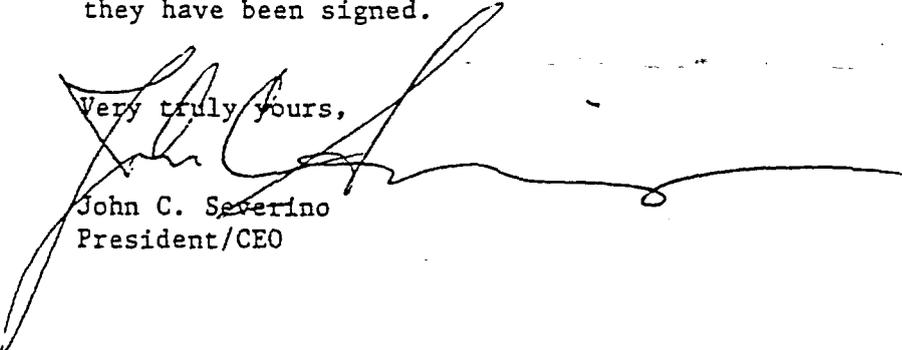
Mr. Thomas C. Hansen
Commissioner
Pacific Ten Conference
800 South Broadway
Suite 400
Walnut Creek, CA 94596

Dear Tom:

Enclosed are three copies of the side letter to the Prime Ticket/PAC 10 agreement. The three copies have been signed by both ESPN and Prime Ticket. The revised letter reflects changes agreed to by all parties.

I would appreciate it if you would send two of the copies back to me after they have been signed.

Very truly yours,


John C. Severino
President/CEO

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February 1, 1990

The Pacific-10 Conference
800 South Broadway
Suite 400
Walnut Creek, California 94596

Re: Agreement with ESPN

Gentlemen:

Reference is made to the recently-executed agreement effective as of September 25, 1989 (the "Agreement") between the Pacific-10 Conference ("Pac-10") and Prime Ticket Network, a California Limited Partnership ("Prime"). As you know, it is contemplated by the Agreement that Prime will sublicense to ESPN, Inc. ("ESPN") certain Pac-10 football games and other athletic events. ESPN has asked, however, for certain changes to the Agreement insofar as it would relate to ESPN. The purpose of this letter is to obtain Pac-10's consent to such changes. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Agreement.

We hereby request the following changes to the Agreement:

1. We wish to confirm our understanding that all football games and other events distributed by ESPN may be distributed throughout the entire footprint of the satellite used by ESPN for its domestic distribution, which Pac-10 acknowledges extends into the northern part of South America.

2. Notwithstanding the requirement of paragraph 20 of the Agreement that Prime supply an audio/video signal of the programs of its football games and other events (in each case, a "Feed") if adequate facilities are not available for television production beyond those utilized by Prime, ESPN need not provide a Feed to any third party or to Pac-10 other than a clean video feed and natural sound audio feed of each football game to (i) those parties authorized to telecast or cablecast the game by the individual Pac-10 member institutions involved and (ii) Pac-10 or the institutions participating in the game for closed circuit distributions and for the preparation of highlights shows and coaches' shows. Pac-10 will assure that ESPN has first priority to all camera and announce positions and other facilities and services at each football game and other event televised by ESPN.

3. Notwithstanding paragraph 14 of the Agreement, ESPN need not provide any specific level of promotion for the Pac-10 football games and other events it cablecasts.

K 00355

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The Pacific-10 Conference
February 1, 1990
Page 2

4. In utilizing any videocassette delivered to Pac-10 by ESPN pursuant to paragraph 19 of the Agreement or any Feed, Pac-10 will use its best efforts to delete all ESPN graphics and other identifications.

5. Notwithstanding paragraphs 21 and 22 of the Agreement, Pac-10 will not have the right to approve any personnel utilized by ESPN (although ESPN will consult with Pac-10 as to the personnel mentioned in paragraph 21) nor will ESPN be required to utilize student assistants.

6. Notwithstanding paragraphs 26 and 27 of the Agreement, ESPN may utilize the commercial formats attached hereto for football and its standard commercial formats for other events, and will provide to Pac-10 in football games only such commercial or promotional time as is provided for in the football format (consisting solely of two thirty-second announcements during football games - one for each participating school). Notwithstanding paragraph 25 of the Agreement, ESPN need not consult Pac-10 as to ESPN's advertisers except upon Pac-10's request therefor.

7. We would like to confirm our understanding that if a cablecast of a football game under the Agreement is prevented or materially interrupted prior to completion due to weather, war, national emergency, governmental restriction, preemption for an event of overwhelming public importance, labor disputes at the game site, non-PTN (or ESPN, as the case may be) equipment failure, act of God or other like cause beyond PTN's (or ESPN's, as the case may be) control, or the failure by any Pac-10 institution to play any such game for reasons beyond its control other than those covered by paragraph 41 of the Agreement, and substitution or rescheduling is not feasible and thus PTN becomes entitled to a pro rata reduction pursuant to paragraph 29 or 30 of the Agreement in the rights fees due Pac-10, then PTN (or ESPN, as the case may be) shall be relieved of its obligation to cablecast such game under the Agreement. We would also like to confirm that "the additional revenues received by PTN as a result of the partial game previously cablecast" referred to in the last sentence of paragraph 30 of the Agreement is intended to be limited to revenues from commercial inventory.

8. In the event that any Pac-10 member institution ceases to be a member of the Pac-10 and thus the right to cablecast such institution's football games under the Agreement ceases to be effective, the provisions of paragraph 41 of the Agreement shall be applicable as though such institution had been placed on probation.

9. In addition to the foregoing, Pac-10 also agrees that all notices and other communications under the Agreement sent to

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The Pacific-10 Conference
February 1, 1990
Page 3

Prime which may tend to have any effect upon ESPN will also be sent to ESPN.

We would appreciate your countersigning and returning a copy of this letter to evidence your approval of the provisions of this letter.

Very truly yours,

Prime Ticket Network, a California limited partnership
by: *CVN Inc.*, its General Partner

By:

ESPN, Inc.

By:

Agreed to and Accepted

THE PACIFIC-10 CONFERENCE

By: Thomas C Hansen

Date: 9-6-90

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FOOTBALL COMMERCIAL FORMAT

Break

PREGAME
1. 2:00

KICKOFF 1ST QTR.
2. :90
3. :90
4. :90 (:60 (L) - :30 ESPN PROMO)

END 1ST QTR.
5. 2:30

START 2ND QTR.
6. :90
7. :90
8. :90 (:60 (L) - :30 ESPN PROMO)
9. :90

HALFTIME
10. 2:00
11. 2:00 (:60 (L) - :60 ESPN PROMO)
12. :90 (:60 (N) - :30 INSTITUTIONAL)
13. :90 (:60 (L) - :30 INSTITUTIONAL)

START 3RD QTR.
14. :90
15. :90
16. :90 (:60 (L) - :30 ESPN PROMO)

END 3RD QTR.
17. 2:30

START 4TH QTR.
18. :90
19. :90
20. :90 (:60 (L) - :30 ESPN PROMO)
21. :90

END OF GAME
22. 1:00

26/PAC TEN COMMERCIAL FORMAT

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**PACIFIC-10 CONFERENCE/PRIME TICKET NETWORK
CABLE TELEVISION AGREEMENT**

This Agreement is made to be effective as of September 25, 1989, at Walnut Creek, California, by and between the Pacific-10 Conference, a California non-profit association, comprised of ten institutional members set forth in Schedule A, ("PAC-10"), with its conference office located at 800 South Broadway, Suite 400, Walnut Creek, California 94596, and Prime Ticket Network, a California Limited Partnership ("PTN"), with its offices located at 401 South Prairie Avenue, Suite 104, Inglewood, California 90301.

1. **Grant of Cablecasting Rights.** The PAC-10 hereby grants to PTN the right and license to present throughout the United States, preferably on a live basis, cablecasts* of twelve (12) Saturday PAC-10 football games per year, one per week commencing the first week in September and continuing through the third week in November, and thirty-five (35) other PAC-10 events throughout the academic year, exclusive of men's basketball. PTN shall have the right and obligation to sublicense to ESPN two (2) of the twelve (12) football games and five (5) men's and five (5) women's events of the 35 other events. The 35 other PAC-10 events to be shown will be recommended by the PAC-10 and selected by PTN annually and shall include the sports of track and field, gymnastics, swimming, tennis, baseball, volleyball, softball and women's basketball.

PTN shall have selection priority over any other entity for the television/cablecasting presentation of PAC-10 sports except in the sports of football, where primary rights are held by ABC, and men's basketball. There are two time windows available for football cablecasts, each lasting 3-1/2 hours, the first beginning, at PTN's option, at either 3:30 p.m. or 4:00 p.m., current California Pacific Time and the second beginning, at PTN's option, at either 7:00 p.m. or 7:30 p.m. current California Pacific Time. Cablecasting rights to PAC-10 football games are secondary in selection of games to ABC's primary over-the-air rights as set forth in the PAC-10 Bidding Guidelines and Specifications packet of February 17, 1989, incorporated herein by reference, and as further defined in the PAC-10's July 25, 1986, contract with ABC and its extension agreement thereto. PTN must observe ABC's exclusive time periods.

2. **Scheduling.** For women's volleyball by July 1, for fall/winter sports other than football and women's volleyball by September 1, and for spring sports by October 1 of each year, the PAC-10 shall submit to PTN its full schedule of all sporting events other than football and men's basketball from which PTN shall select the specific events to be cablecast by PTN during

CONFIDENTIAL

that year, following, as available time periods permit, the mix of sports recommended by the PAC-10. When indicating to the PAC-10 the events selected by PTN for cablecasting, PTN shall also indicate the times at which it wishes to have such events held. It is the desire of the PAC-10 that intra-Conference events be cablecast, particularly in the sport of football.

3. **Availability of Contests.** The PAC-10 and each PAC-10 member shall use best reasonable efforts to make available for cablecasting by PTN any game or event requested by PTN at the time designated by PTN in accordance with the provisions of this Agreement.

4. **Exclusivity of Rights.** The rights granted to PTN and its sublicensees hereunder for the sport of football only shall be exclusive and except for ABC's existing rights with respect to football, the PAC-10 shall not grant to any other person or entity any rights to exhibit through any form of television, cable television, satellite television or other video or similar medium any football game hosted or controlled by a PAC-10 member institution. The foregoing shall not prohibit an individual PAC-10 member institution from granting rights to football games with respect to its own home area, provided such grant is not inconsistent with this Agreement. For an individual institutional telecast beyond the home area, prior agreement with PTN shall be required and such agreement will not be unreasonably withheld. So as to enhance the attractiveness of the PTN/PAC-10 series to cable system operators, potential and current cable subscribers and advertisers, PAC-10 members agree not to make such telecasts of games against USC and UCLA in the Los Angeles television market.

5. **Exclusive Cablecasting Period.** The PAC-10 hereby grants PTN an exclusive time period for the initial live or same-day delayed presentation of each game or event with respect to which PTN is granted rights hereunder. With respect to football games, such exclusive time period shall be for a duration of three (3) hours and thirty (30) minutes, commencing from the start of the game cablecast (as differentiated from a pre-game show). Just as a PTN football presentation may overlap an ABC presentation by not more than 45 minutes of that network's scheduled telecasting period, a telecast or cablecast by a PAC-10 member in the sport of football may overlap a PTN presentation by not more than 45 minutes of the exclusive time period. With respect to all other sports, the exclusive time period shall extend from 30 minutes after the start of the cablecast of the game or event until thirty (30) minutes prior to its anticipated conclusion, with the PAC-10 and PTN to mutually agree on such time of anticipated conclusion if required by the intention of the PAC-10 or a PAC-10 member institution to present another telecast or cablecast on the same date.

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During the exclusive time period specified above, neither the PAC-10 nor any PAC-10 member institution shall permit any other telecasts or cablecasts of any game or event hosted by a PAC-10 member institution (or for which a PAC-10 member institution holds or grants the television/cablecasting rights) to be presented in any television or cable television medium, live or delayed, except for a closed circuit football telecast presented on its campus or to alumni clubs.

PTN and the PAC-10 may mutually agree in writing to waive a PTN exclusive cablecasting period on an event-by-event basis.

6. **Championships.** This Agreement hereby supercedes the earlier agreement between the PAC-10 and PTN whereunder PTN was granted rights to cablecast six (6) PAC-10 championships each year, and that agreement is hereby terminated. Those six (6) annual cablecasts shall be included in the number otherwise required by this Agreement, except that consistent with its own economic interests and its other contractual cablecasting commitments, and to the extent the schedules of the various events result in two or more events taking place in the same or a nearby location at concurrent or closely spaced time periods, PTN will endeavor to present up to six (6) annual cablecasts in addition to the number otherwise required by this Agreement.

7. **Term.** The term of this Agreement shall be for six (6) years, with an option to extend to ten (10) years. Said option to extend to ten (10) years must be mutually agreed upon in writing prior to the beginning of the sixth (6th) year to be effective. The Agreement term shall be July 1, 1989 - June 30, 1995, unless extended. The PAC-10 shall provide PTN a right of good faith first negotiation for the award of the future rights as described herein of sixty (60) days duration from April 1, 1994 through May 30, 1994, or if this original term is extended pursuant to the option contained herein, then the PAC-10 shall provide PTN a good faith right of first negotiation for the award of the future rights described herein of sixty (60) days duration from April 1, 1998 through May 30, 1998, said right to be exclusive to PTN.

8. **Rights Fees.** The rights fees for the forty-seven (47) PAC-10 events (plus the additional events, up to six (6), referred to in paragraph 6), on an annual basis, are to be:

Year	Fees (in millions)	Fees If Mutually Extended (in millions)
1	\$4.5	
2	4.75	
3	5.0	
4	5.5	

5	\$6.25	
6	6.50	\$7.0
7		7.5
8		8.0
9		8.5
10		9.0

9. **Payment Schedule.** The rights fees for each applicable year shall be due and payable as follows: thirty-three and one-third percent (33-1/3%) of the annual payment on or before October 1; thirty-three and one-third percent (33-1/3%) on or before December 1; and the final thirty-three and one-third percent (33-1/3%) on or before February 1. By July 1 of each year, PTN shall guarantee the ensuing year's annual payment with an irrevocable letter of credit in favor of the PAC-10.

10. **Production Costs.** PTN shall pay all production costs of the events cablecast, including all costs of transmission and "Special Lighting" (as defined in the following sentence). As used in this Agreement, "Special Lighting" shall mean any supplemental lighting that may be required to broadcast a selected event and any field lighting for any unlit stadiums plus, if necessary in connection with such lighting, special electrical generating equipment.

11. **Highlight Show.** PTN will air, at a time of its choosing, a weekly PAC-10 Highlights Show throughout the academic year to be produced in conjunction with the PAC-10 institutions, with PTN dedicating a producer and partially funding said project.

12. **Institutional Profile.** PTN in conjunction with the PAC-10 institutions will produce ten (10) half-hour specials, one of which will profile each PAC-10 institution, and will air multiple runs of said specials as scheduling permits on an equitable basis regarding each institution, one week prior to and during the regular season time periods covered by this Agreement.

13. **Market Penetration.** PTN will, through distribution to its cable system operator affiliates and other sublicensing arrangements, achieve market penetration for each of the 47 cablecasts of a minimum of 22 million cable homes nationwide, with over 4.5 million within PAC-10 market areas. Any events carried on ESPN shall be available to all ESPN North American satellite footprint systems. However, release by ESPN or others is restricted to North American satellite footprint systems or other United States domestic distribution.

14. **Promotion by PTN.** PTN agrees to provide an active promotion campaign for the cablecasts of PAC-10 events. PTN annually shall use its best reasonable efforts to provide the

PAC-10 with PTN's plans for the promotional campaign for football and women's volleyball by August 1 of each year and with PTN's plans for the promotional campaign for the remaining sports covered by this Agreement by October 1 of each year.

In the sports of football and men's basketball (if PTN acquires cablecasting rights in men's basketball from Raycom Sports or, subsequent to the 1991-1992 season, from the PAC-10) for which the PAC-10 previously has sold or retained primary rights, any promotional announcements by PTN shall clearly identify those contests or events which PTN has tentatively scheduled which are subject to preemption by a carrier with superior rights.

15. **Football Appearances.** PTN shall ensure that its football cablecasts shall provide each PAC-10 institution with at least one appearance (participation in one televised game) every two years of the term of this Agreement. PTN also agrees to give due consideration to the PAC-10's desires to have each institution appear annually. This provision shall not apply to any institution that, for any reason, is not permitted to appear on television during one of the years involved.

16. **Hosting.** No institution shall be required to host more than one football game in any year but may do so at its own election in conjunction with a request by PTN. Notwithstanding the foregoing, the PAC-10 guarantees to provide twelve (12) PAC-10 hosted games per year throughout the term of this Agreement.

17. **Required Appearances.** No PAC-10 institution shall be required to appear in football games more than twice per year, but may do so at its own election in conjunction with a request by PTN.

18. **Replay Rights.** PTN shall have the right to record each game or other event cablecast by PTN under this Agreement. PTN and its sublicensees shall have unlimited rights to replay or otherwise use any such recordings or excerpts thereof.

19. **Video Cassette Recording.** PTN shall provide to the PAC-10 and also to the PAC-10 host institution at no charge one (1) 3/4 inch video casset recording of the entire cablecast of each event cablecast hereunder within three (3) days of the completion of the event. The PAC-10 and its member institutions may utilize such recordings for their files, reference, audition, sales promotion, highlight shows and publicity/promotional purposes, provided appropriate visual credit is given to PTN. The PAC-10 may also provide excerpts from said video cassette recordings of no longer than two (2) minutes for use in regularly scheduled sports segments within news or sports news programs so long as no audio portion is utilized and appropriate visual