

- b. Affiliate's Indemnities. Affiliate will indemnify, defend and hold harmless Network from and against all Claims relating to or arising out of (i) Affiliate's breach of this Letter Agreement; (ii) Affiliate's marketing of *NGCHD*; (iii) any claim by any of Affiliate's subscribers (except for content claims described in Section 11(a)(ii) above); (iv) Affiliate's or any HD System's alteration or delay of, or insertion of material (including commercial advertisements) in, *NGCHD*; and (v) any use of *NGCHD* by Affiliate or any HD System in violation of this Letter Agreement (including Affiliate's or any HD System's purposeful acquiescence in any unauthorized receipt of *NGCHD*).
- c. Indemnification Procedure. A party seeking indemnification will give the other party prompt notice of a Claim. Failure to give such prompt notification will relieve the indemnifying party of its indemnification obligations to the extent that such failure has prejudiced the indemnifying party's defense of such Claim. The indemnifying party may assume the defense of each Claim to which its indemnity applies. The indemnified party will cooperate fully (at the expense of the indemnifying party) with the indemnifying party in defending and settling the Claim in question. If the indemnified party desires to settle a Claim, it will obtain the prior written consent of the indemnifying party, which consent will not be unreasonably withheld or delayed. Failure to obtain such consent shall relieve the indemnifying party of its indemnification obligations with respect to such Claim. This Section 11 will survive termination or expiration of this Letter Agreement for a period of five years.

12. Miscellaneous.

- a. Force Majeure. Network will not be liable to Affiliate for Network's failure to provide *NGCHD* (or any particular programming that would have otherwise been part of *NGCHD*) to Affiliate pursuant to this Letter Agreement, and Affiliate will not be liable to Network for Affiliate's failure to distribute *NGCHD* to service subscribers pursuant to this Letter Agreement, if such failure is due to any cause, except financial inability, beyond either Network's or Affiliate's reasonable control (including any act of God, act of the public enemy, governmental prohibition or restraint, force of nature, military action, civil disturbance, strike, lockout or labor stoppage, satellite failure or preemption, damage to or restriction on use of stadiums or their broadcasting facilities, but not including any security breach in Affiliate's programming distribution infrastructure) (each a "Force Majeure"). If a Force Majeure interrupts Network's delivery of *NGCHD* (with the understanding that the change in the availability or scheduling of any particular *NGCHD* programming will not be considered non-delivery of *NGCHD* so long as substitute programming replaces the unavailable or rescheduled *NGCHD* programming) to any HD System in any month for more than 12 hours such that the HD System is thereby prevented from delivering *NGCHD* to its service subscribers, then Network will reduce the HD System's monthly fee per service subscriber payable under this Letter Agreement for such month by the lesser of (1) the same percentage, if any, by which that HD System has reduced, due to the interruption, its monthly fees charged to its service subscribers for *NGCHD* and

(2) the percentage that the number of hours of service interruption bears to the total number of hours of *NGCHD* that the HD System would have distributed absent *NGCHD* interruption.

- b. Notice. Any notice or report given under this Letter Agreement must be in writing and must be sent registered or certified mail, postage prepaid, return receipt requested, or by hand or messenger delivery, or by Federal Express or similar overnight delivery service, or by facsimile with receipt confirmed, to the other party at its contact information set forth on the signature page to this Letter Agreement (or such other contact information designated by such party in accordance with this Section). Any notice or report delivered in accordance with this Section will be deemed given on the date actually delivered; provided that any notice or report deemed given or due on a Saturday, Sunday or legal holiday will be deemed given or due on the next business day. If any notice or report is delivered to any party in a manner that does not comply with this Section 12(b), such notice or report will be deemed delivered on the date, if any, such notice or report is received by the other party.
- c. Taxes, Etc. All fees under this Letter Agreement are net of taxes. Affiliate is responsible for all taxes, franchise fees and similar charges (i) levied on Affiliate, or (ii) related to any HD System or its sale or use of *NGCHD*. This Section 12(c) will survive the termination or expiration of this Letter Agreement.
- d. Programming Restrictions. This Letter Agreement and the rights granted by Network to Affiliate by this Letter Agreement are limited by, and subject to, all limitations, covenants, standards and restrictions applicable to either Network (including restrictions included in Network's agreements with each service program supplier) or any service program supplier (including such supplier's constitutions, bylaws, rules, regulations, directives and agreements), as any of the same may be amended, supplemented, restated, interpreted or enforced from time to time.
- e. Assignment. This Letter Agreement is binding upon each party's assignees, transferees and successors; provided that, no party may assign or otherwise transfer, by operation of law or otherwise, this Letter Agreement in whole or in part, without the other party's prior written consent. Notwithstanding the prior sentence, either party may assign this Letter Agreement in its entirety without the other party's consent to any of the following: (i) the assignor's successor in a consolidation or merger, (ii) the assignor's successor in an acquisition of all or substantially all of the assets, equity or beneficial interests of the assignor (provided, in the case of Affiliate as assignor, this Letter Agreement may be assigned only with respect to the assigned HD Systems and, notwithstanding any provision to the contrary, no other system of assignee may be added to this Letter Agreement without Network's prior written consent), (iii) an entity under common control with, controlled by or in control of the assignor, or (iv) a lender, as an assignment of collateral to secure credit extended to the assignor. The

assignor will give the other party written notice within 30 days of any assignment described in the immediately preceding sentence.

- f. Choice of Law; Venue. This Letter Agreement and the rights and obligations of the parties under this Letter Agreement will be governed by and construed in accordance with the internal laws of the state of California, without reference to conflict of laws provisions. Each party, to the extent permitted by applicable law, hereby irrevocably and unconditionally (i) submits to the general jurisdiction of the federal and state courts located in Los Angeles County, California; (ii) agrees that any action or proceeding concerning this Letter Agreement will be brought exclusively in such courts; and (iii) waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding in any such court was brought in an inconvenient court and agrees not to claim or plead the same.
- g. Counterparts. This Letter Agreement may be executed in counterparts, each of which is an original and together will constitute one and the same agreement. Any signature delivered by facsimile will be deemed an original signature for all purposes and will be binding on the signing party.
- h. Entire Agreement. This Letter Agreement, including its Schedules and Exhibits, and the NGC Agreement, constitute the entire understanding between Network and Affiliate concerning the subject matter of this Letter Agreement. Each party acknowledges that it is not entering into this Letter Agreement in reliance upon any term, condition, representation or warranty not stated in this Letter Agreement. This Letter Agreement supersedes any and all other prior and contemporaneous agreements, whether oral or written, pertaining to the subject matter of this Letter Agreement.
- i. Waiver and Amendment. This Letter Agreement may not be modified or amended, and no provision of this Letter Agreement may be waived, except in writing executed by each of the parties. No failure to exercise or delay in the exercise of, a party's rights under this Letter Agreement will constitute a waiver of such rights. No waiver of a provision of this Letter Agreement will constitute a waiver of the same or any other provision of this Letter Agreement other than as specifically set forth in such waiver.
- j. Severability. If any provision of this Letter Agreement, or the application of such provision to any party or circumstance, is found to be illegal or unenforceable for any reason under law, regulation or court order, such provision will be modified or severed from this Letter Agreement to the extent necessary to make such provision enforceable against such party or in such circumstance. Such modification or severance will be accomplished through a binding order from a court of competent jurisdiction or prior written notice from either party (which notice will attach the supporting law, regulation or court order). Neither the unenforceability of such provision nor the modification or severance of such provision will affect the enforceability of any other provision of this Letter

Agreement. Notwithstanding the foregoing, if such modification or severance would render the remaining provisions of this Letter Agreement inadequate to accomplish the basic purposes and mutual intent of the parties, then either party may terminate this Letter Agreement upon written notice within 30 days of such court order or notice effecting modification or severance.

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- k. **Interpretation.** No provision of this Letter Agreement may be interpreted against any party because such party or its counsel drafted the provision. Headings used in this Letter Agreement are provided for convenience only, and will not be interpreted to have independent meaning or to modify any provision of this Letter Agreement. All references to Sections, Schedules, Exhibits and other attachments will be references to each such item as contained in, or attached to, this Letter Agreement and to each such item as may be amended, modified or supplemented in accordance with this Letter Agreement, unless otherwise expressly provided.
 - l. **Remedies.** The several rights and remedies of each party under this Letter Agreement will be cumulative, and the exercise of one or more of those rights or remedies will not preclude the exercise of any other right or remedy under this Letter Agreement at law or in equity. Notwithstanding anything to the contrary in this Letter Agreement, neither party is entitled to recover any lost profits or incidental or consequential damages or loss of revenues, whether foreseeable or not, resulting from a breach or failure by the other party, and, except as expressly provided in this Letter Agreement to the contrary, neither Network nor Affiliate will have any right against the other with respect to claims by a third party. This Section 12(l) will survive the termination or expiration of this Letter Agreement.
 - m. **Specific Performance.** Each party acknowledges that the obligations to be fulfilled by Affiliate under this Letter Agreement are specific and unique in character, and that any failure by Affiliate to fulfill its obligations under this Letter Agreement (including distribution and carriage commitments) will cause irreparable damage to Network that cannot be rectified by monetary damages. Accordingly, Affiliate agrees that Network will be entitled to obtain specific performance of Affiliate's obligations under this Letter Agreement as an appropriate remedy in the event of Affiliate's breach of this Letter Agreement.
 - n. **Review.** Each party acknowledges that it has had ample time and opportunity to review carefully this Letter Agreement. Each party further acknowledges that it has the right to seek independent legal counsel with respect to this Letter Agreement, and hereby represents and warrants that it has either sought such counsel or determined after careful review of this Letter Agreement that it chooses freely and judiciously to waive such right.
 - o. **No Relationship.** This Letter Agreement does not create any partnership or joint venture between Affiliate and Network. Neither Affiliate nor Network will be, or hold itself out as, the agent of the other party in connection with, or as a result of, this Letter Agreement. No subscriber of Affiliate will be deemed to have any privity of contract, contractual relationship or other relationship with Network by

virtue of Network's execution or performance of this Letter Agreement (including Network's delivery of *NGCHD* to Affiliate under this Letter Agreement).


13. Other Terms and Conditions. Except as expressly set forth herein, Affiliate's distribution of *NGCHD* shall be in accordance with terms and conditions that are the same as those set forth in the *NGC* Agreement and such terms and conditions shall be incorporated by reference into the terms of this Letter Agreement.

If the foregoing is acceptable, please indicate your agreement to the foregoing by signing and delivering two copies of this Letter Agreement, which I have enclosed. This Letter Agreement may be executed in separate counterparts, each of which when executed and delivered (including without limitation via facsimile) will be deemed an original and all of which together will constitute the same agreement and will be binding upon the parties.

Sincerely,

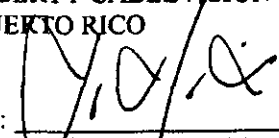
Agreed and Accepted by:

NGC NETWORK US, LLC

By: 
Name: Jonathan J. Sarrow
Title: President, Affiliate Business Affairs

Agreed and Accepted by:

LIBERTY CABLEVISION OF
PUERTO RICO

By: 
Name: JOSE F. ALEGRIA
Title: PRESIDENT

Address:

Fox Cable Networks Group
10201 West Pico Boulevard, Bldg. 103
Los Angeles, California 90035
Attention: Affiliate Sales and Marketing,
SVP Affiliate Relations
Facsimile: 310-969-2620

Address:

Luquillo Industrial Park, Road 992 Km 0.2
Luquillo, Puerto Rico 00773
Attention: Jose Alegria, President
Telephone: 787-657-3050 x3200
Facsimile: 787-889-1220

With a copy to:

Fox Cable Networks Group
10201 West Pico Boulevard, Bldg. 103
Los Angeles, California 90035
Attention: Business and Legal Affairs,
SVP Affiliation Matters
Facsimile: 310-969-5678

FULLY EXECUTED

DIRECTV/Fox Term Sheet

This DIRECTV/Fox Term Sheet (this "Agreement"), dated as of October 1, 2004 (the "Effective Date"), is entered into by (i) Fox Sports Direct ("FSD"), a division of ARC Holding, Ltd., (ii) Fox Cable Networks Services, LLC ("FCNS"), (iii) Sports Access ("SA"), a division of ARC Holding, Ltd., (iv) FOX Broadcasting Company and (v) Fox Entertainment Group, Inc. (collectively, "Fox Group"), on the one hand, and DIRECTV, Inc. ("DIRECTV"), on the other hand. "Services" means the RSNs (as defined in Section 1),

Fox Sports World, Speed Channel, Fox Movie Channel, National Geographic Channel, Fuel and Fox Sports en Español. As used in Sections 10, 13 and 16 and Exhibit F, "Fox Services" means the Services and FX,

Agreement

In consideration of the mutual promises and covenants set forth in this Agreement and for other good and valuable consideration, the parties agree as follows:

1. FSN. DIRECTV will distribute the RSNs (as defined below) in accordance with the following terms and the General Terms and Conditions attached as Exhibit A (the "GTC"), and will enter into an affiliation agreement (the "RSN Agreement") with FSD. "RSNs" mean *FSN Arizona, FSN Detroit, FSN Midwest, FSN North, FSN Northwest, FSN Pittsburgh, FSN Rocky Mountain, FSN South, FSN Southwest, FSN West, FSN West 2 ("West 2") and Sunshine Network, as each such programming* service name may be changed from time to time. "Fox RSNs" mean all RSNs other than the Affiliated RSN.

(a) Term. The term (the "RSN Term") will commence on the Effective Date and will end on (i) _____ and (ii) _____ with respect to each Fox RSN.

(b) Carriage. DIRECTV will distribute (i) each RSN within such RSN's territory

(c) Residential Rates. DIRECTV will pay license fees each month on all RSN residential subscribers. The monthly base rates per residential subscriber for each In-Market RSN are set forth below.

(i) RSNs. Each of the base rates set forth below in this clause (i) will be effective from the Effective Date through

through (ii) The base rate for carriage of
Fox Sports World in accordance with Section 2 will be as set forth below

(d) Commercial Rates. The commercial rates for the RSNs will be as set forth in Exhibit B.

(e) Ad Avails. FSD will make available to DIRECTV, for use by DIRECTV or any third party authorized by DIRECTV, an average of _____ minutes of commercial advertising time in each hour of each _____ RSN (or, in those programs where there is less than _____ minutes, all such lesser amount of time if any, available in such programs).

DIRECTV's use of commercial advertising time is subject to FSD's reasonable restrictions and standards, generally consistent with standard industry practice and uniformly applied, delivered in writing from time to time to DIRECTV.

(f)

(g)

(ii)

(b)

(i)

(ii)

(iii)

(iv)

(j) Surcharges.

(i) Fox RSNs. For the Fox RSNs, FSD may from time to time offer in writing
(each a "Surcharge") to DIRECTV a surcharge, for
games of

~~If DIRECTV accepts any Surcharge, then DIRECTV will carry the Additional Programming as part of the applicable Fox RSNs in accordance with this Agreement. If DIRECTV does not accept any Surcharge, DIRECTV will not distribute the related Additional Programming and such Surcharge will not apply,~~

(ii)

(iii)

(k)

2. Fox Sports World. DIRECTV will distribute *Fox Sports World* (as the name may be changed from time to time, "World") in accordance with the following terms and the GTC, and will enter into an affiliation agreement (the "World Agreement") with FCNS.

(a) Term. The term will be

(b) Carriage. DIRECTV will distribute World to residential subscribers

(c) Rates. DIRECTV will pay license fees each month on all World subscribers. The monthly base rate per residential subscriber is described in Section 1(c)(ii). The monthly license fees for commercial subscribers will be determined as follows:

"CPI

Increase" means, for each applicable calendar year, the percentage increase during the immediately preceding calendar year in the Consumer Price Index for All Urban Consumers (CPI-U); U.S. City Average, All Items

(d) Ad Avails. FCNS will make available to DIRECTV, for use by DIRECTV or any third party authorized by DIRECTV, an average of _____ minutes of commercial advertising time in each hour of World (or, in those programs where there is less than _____ minutes, all such lesser amount of time if any, available in such programs).

DIRECTV's use of commercial advertising time is subject to FCNS's reasonable restrictions and standards, generally consistent with standard industry practice and uniformly applied, delivered in writing from time to time to DIRECTV.

3. Speed Channel. DIRECTV will continue to distribute *Speed Channel* (as the name may be changed from time to time, "Speed") through _____ in accordance with the Affiliation Agreement for DBS Satellite Exhibition of Cable Programming dated as of _____ between Speed Channel, Inc. (successor to Speedvision Network, L.L.C.) and DIRECTV, as amended from time to time; and will distribute Speed after such _____ date in accordance with the following terms and the GTC, and will enter into an affiliation agreement (the "Speed Agreement") with FCNS.

_____, and Speed Channel, Inc., on the other hand,

(a) Term. The term (the "Speed Term") will commence on _____ and will end _____
on

(b) Carriage. DIRECTV will distribute Speed to residential subscribers

(c) Rates. DIRECTV will pay license fees each month on all Speed subscribers. The monthly base rate per residential subscriber is _____

(d) Ad Avails. FCNS will make available to DIRECTV, for use by DIRECTV or any third party authorized by DIRECTV, an average of _____ minutes of commercial advertising time in each hour of Speed (or, in those programs where there is less than _____ minutes, all such lesser amount of time if any, available in such programs).

DIRECTV's use of commercial advertising time is subject to FCNS's reasonable restrictions and standards, generally consistent with standard industry practice and uniformly applied, delivered in writing from time to time to DIRECTV.

(e) Surcharges. FCNS may from time to time offer in writing (each a "Speed Surcharge") to DIRECTV a surcharge,

If
DIRECTV accepts any Speed Surcharge, then DIRECTV will carry the Speed Additional Programming as part of Speed in accordance with the Speed Agreement. If DIRECTV does not accept any Speed Surcharge, DIRECTV will not distribute the related Speed Additional Programming and such Speed Surcharge will not apply.

(f)

4. Fox Movie Channel. DIRECTV will continue to distribute *Fox Movie Channel* (as the name may be changed from time to time, "FMC") through _____ in accordance with the Affiliation Agreement for DBS Satellite Exhibition of Cable Programming dated as of [sic] between Fox Movie Channel, Inc. (successor to fXM Networks, L.L.C.) and _____

DIRECTV, as amended from time to time; and will distribute FMC after such date in accordance with the following terms and the GTC, and will enter into an affiliation agreement (the "FMC Agreement") with FCNS.

(a) Term. The term (the "FMC Term") will commence on _____ and will end on _____.

(b) Carriage. DIRECTV will distribute FMC to residential subscribers.

(c) Rates. DIRECTV will pay license fees each month on all FMC subscribers. The monthly base rate per residential subscriber is _____.

(d)

5. National Geographic Channel. DIRECTV will continue to distribute *National Geographic Channel* (as the name may be changed from time to time, "NatGeo") through in accordance with the _____ Agreement dated as of _____ as amended from time to time; and will distribute NatGeo after such _____ date in accordance with the following terms and the GTC, and will enter into an affiliation agreement (the "NatGeo Agreement") with FCNS.

(a) Term. The term (the "NatGeo Term") will commence on _____ and will end on _____

(b) Carriage. DIRECTV will distribute NatGeo to residential subscribers

(c) Rates. DIRECTV will pay license fees each month on all NatGeo subscribers. The monthly base rate per residential subscriber is _____

(d) Ad Avails. FCNS will make available to DIRECTV, for use by DIRECTV or any third party authorized by DIRECTV, an average of _____ minutes of commercial advertising time in each hour of NatGeo (or, in those programs where there is less than _____ minutes, all such lesser amount of time if any, available in such programs).

DIRECTV's use of commercial advertising time is subject to FCNS's reasonable restrictions and standards, generally consistent with standard industry practice and uniformly applied, delivered in writing from time to time to DIRECTV.

(e)

6. Fuel. DIRECTV will continue to distribute *Fuel* (as the name may be changed from time to time, "Fuel") through _____ in accordance with the _____

_____, and
will distribute Fuel after such _____ date in accordance with the following terms and the GTC,
and will enter into an affiliation agreement (the "Fuel Agreement") with FCNS.

(a) Term. The term (the "Fuel Term") will commence on _____ and will end on _____

(b) Carriage. DIRECTV will distribute Fuel to residential subscribers _____ of _____

(c) Rates. DIRECTV will pay license fees each month on all Fuel subscribers. The monthly base rate per residential subscriber is _____

(d) Ad Avails. FCNS will make available to DIRECTV, for use by DIRECTV or any third party authorized by DIRECTV, an average of _____ minutes of commercial advertising time in each hour of Fuel (or, in those programs where there is less than _____ minutes, all such lesser amount of time if any, available in such programs).

DIRECTV's use of commercial advertising time is subject to FCNS's reasonable restrictions and standards, generally consistent with standard industry practice and uniformly applied, delivered in writing from time to time to DIRECTV.

(e) MFN. FCNS agrees that if, at any time during the Fuel Term, FCNS has entered

7. Fox Sports en Español. DIRECTV will distribute *Fox Sports en Español* (as the name may be changed from time to time, "FSE") in accordance with the following terms and the General Terms and Conditions attached as Exhibit A, and will enter into an affiliation agreement (the "FSE Agreement") with FCNS.

(a) Term. The term (the "FSE Term") will commence on the Effective Date and will end on

(b) Carriage. DIRECTV will distribute FSE to residential subscribers

(c) Rates. DIRECTV will pay license fees each month on all FSE subscribers.

(i) Residential Rates. The monthly base rate per residential subscriber (the "Base Rate") is

(ii) Commercial Rates. The monthly license fees payable for each Hospitality Subscriber will be

The monthly license fees payable for each commercial subscriber that is not a Hospitality Subscriber will be

(d) Ad Avails. FCNS will make available to DIRECTV, for use by DIRECTV or any third party authorized by DIRECTV, an average of _____ minutes of commercial advertising time in each hour of FSE (or, in those programs where there is less than _____ minutes, all such lesser amount of time if any, available in such programs).

DIRECTV's use of commercial advertising time is subject to FCNS's reasonable restrictions and standards, generally consistent with standard industry practice and uniformly applied, delivered in writing from time to time to DIRECTV.

(e)

8. High Definition Games.

(a) FSD will make available to DIRECTV sporting events produced and delivered by FSD in a high definition format selected from time to time by FSD,

(b)

(e)

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(b)

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