



January 31, 2007

Dan Fawcett  
DIRECTV, Inc.  
2230 East Imperial Highway  
El Segundo, California 90245

Re: Fox News Channel Agreement

Dear Dan:

We refer to the Letter Agreement for *Fox News Channel*, dated as of October 17, 2006 (the "Letter Agreement"), between Fox News Network, L.L.C. ("Fox") and DIRECTV, Inc. ("DIRECTV"). Capitalized terms used in this letter (this "Notice Letter") and not otherwise defined have the meanings set forth in the Letter Agreement.

Pursuant to the Letter Agreement, the existing Affiliation Agreement was extended until the earlier of: (a) the effective date of a Long Form Agreement and (b) the effective date of a Long Form Agreement. The parties have not entered into a Long Form Agreement and, accordingly, this Notice Letter hereby notifies DIRECTV, pursuant to Section 2(d) of the Letter Agreement, that Fox hereby elects to amend and extend the Affiliation Agreement for the Renewal Term in accordance with the amended terms and conditions set forth in the Letter Agreement.

Therefore, effective as of February 1, 2007, DIRECTV's distribution of Fox's *Fox News Channel* shall be governed by the existing Affiliation Agreement, as amended and extended by the Letter Agreement, through

Very truly yours,

FOX NEWS NETWORK, L.L.C.

By: Mark Kranz  
Name: MARK KRANZ  
Title: CFO

cc: Vice President, Programming  
Corporate Counsel, DIRECTV, Inc.  
Business Affairs, DIRECTV, Inc.

REDACTED  
FOR PUBLIC INSPECTION

October 17, 2006

EXECUTION COPY

Dan Fawcett  
DIRECTV, Inc.  
2230 East Imperial Highway  
El Segundo, California 90245

Re: Fox News Channel Renewal

Dear Dan:

We refer to the Affiliation Agreement for *Fox News Channel* dated as of October 1, 1996 (the "Affiliation Agreement"), between Fox News Network, L.L.C. ("Fox") and DIRECTV, Inc. ("DIRECTV"). Capitalized terms used in this letter agreement (this "Letter Agreement") and not otherwise defined have the meanings set forth in the Affiliation Agreement.

The parties hereby agree as follows:

1. Extension of Existing Affiliation Agreement. The current term of the Affiliation Agreement expires on [redacted]. The parties hereby agree to extend the term (the "Extension Term") of the Affiliation Agreement until the earlier of (a) [redacted] or (b) the effective date of a Long Form Agreement (as such term is defined below). For the avoidance of doubt, during the Extension Term, DIRECTV shall pay license fees for the Service determined in accordance with the provisions of Section 2(b) of the Affiliation Agreement.
2. Renewal Agreement. At such time as the Long Form Agreement (as defined below) is executed and delivered by the parties (the "Renewal Date"), the following terms will be effective, retroactive to February 1, 2007. The Long Form Agreement will contain the following terms:
  - (a) Term: ("Renewal Term").
  - (b) License Fees: As set forth in Exhibit 1 attached hereto.
  - (c) [redacted]

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- (d) Long Form Agreement. During the Extension Term, the parties agree to negotiate in good faith with respect to execution and delivery of a new affiliation agreement which will contain the terms set forth in (i) subsections (a) through (c) above and (ii) reflecting other terms and conditions customarily included in affiliation agreements for the distribution of basic cable programming services (the "Long Form Agreement"). If, despite such efforts, the parties have not executed the Long Form Agreement prior to February 1, 2007, either party may elect, by notice to the other party within 30 days thereafter, to extend the Affiliation Agreement on all terms set forth therein for the Renewal Term, except (A) as such terms are required to be modified to reflect the terms set forth in subsections (a) through (c)

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3. Confidentiality. Fox and DIRECTV will keep the existence and terms of this Letter Agreement and any other proprietary information (including without limitation any subscriber information) strictly confidential, and will not disclose the existence or substance of such matters to any third party without the prior written consent of the other party, except to the extent necessary in the following situations (and with the earliest possible prior written notice to the other party): (i) to comply with governmental rule, regulation or law or with a valid court order or with a request for information from a regulatory or congressional committee, in each case with confidential treatment requested and redaction of information disclosed to the greatest extent possible; (ii) to comply with its normal reporting or review procedure of its parent company or other owners, or its auditors or its attorneys; (iii) to enforce its rights or perform its obligations under this Letter Agreement or any agreement expressly referenced herein; and (iv) to its lenders that are financial institutions or bona fide investors, with confidential treatment required.
4. Assignment. This Letter Agreement is binding upon each party's assigns, 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 which consent will not be unreasonably withheld or delayed. Notwithstanding the prior sentence, either party may assign this Letter Agreement in its entirety without the other party's consent to (a) the assignor's successor in a consolidation, merger, acquisition or "going public" transaction (provided that the assignee acquires all or substantially all of the assets, equity or beneficial interests of the assigning party), or (b) an entity under common control with, controlled by or in control of the assignor. The assignor will give the other party written notice within thirty (30) days of any assignment described in the immediately preceding sentence; provided that inadvertent failure to provide such notice will not be deemed a breach of this Agreement.
5. Modifications and Amendments. 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.
- 6.

7. 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.

If you are in agreement with the foregoing, please execute and return to me two originals of this Letter Agreement.

Very truly yours,

Agreed and Accepted By:

FOX NEWS NETWORK, L.L.C.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Agreed and Accepted By:

DIRECTV, INC.

By: [Signature]  
Name: Don Forelett  
Title: EVP

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- 7. 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.

If you are in agreement with the foregoing, please execute and return to me two originals of this Letter Agreement.

Very truly yours,

Agreed and Accepted By:

FOX NEWS NETWORK, L.L.C.

By: *[Signature]*  
 Name: MORIZ KRANZ  
 Title: CEO

Agreed and Accepted By:

DIRECTV, INC.

By: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

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EXHIBIT 1

MONTHLY LICENSE FEES PER SERVICE SUBSCRIBER

Notwithstanding the Monthly License Fees set forth in the table above, if Fox enters into a Renewal Agreement prior to the date of execution of the Long Form Agreement, with more favorable rates than as set forth above (after adjustments as required herein – i.e., based on the adjustments required in Section 2(c)(i)-(iii) above), the Long Form Agreement will set forth those rates (with such adjustments as may be applicable), in lieu of the rates set forth above.

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FOR PUBLIC INSPECTION

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AFFILIATION AGREEMENT  
FOR DTH SATELLITE EXHIBITION  
OF PROGRAMMING

"Sky TG24"

DIRECTV, INC.

and

SKY ITALIA

SKY ITALIA S.r.l.	
000002	26 NOV. 2004
SKY NEWS	

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AFFILIATION AGREEMENT  
FOR DTH SATELLITE EXHIBITION  
OF PROGRAMMING

AGREEMENT, made as of \_\_\_\_\_ (the "Execution Date"), by and between Sky Italia, an Italian corporation, ("Programmer"), and DIRECTV, INC., a California corporation ("Affiliate").

WHEREAS:

- A. Affiliate has established a direct to home ("DTH") satellite-based television system in North America; and
- B. Affiliate desires to obtain the rights to distribute "Sky TG24" (the "Service") via the DTH Distribution System (as defined in Section 1.1.2 below) in the United States, its territories and possessions (the "Territory").

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

1. Grant of Rights.

1.1 Distribution: Certain Definitions.

1.1.1 Programmer hereby grants to Affiliate (which as used for all purposes in this Agreement shall mean DIRECTV and/or its designees, including, without limitation, National Rural Telecommunications Cooperative ("NRTC") and/or its members) the nonexclusive right to distribute the Service in the Territory via the DTH Distribution System

Affiliate shall have the right to use the names, titles or logos of the Service or any of its programs, or the names, voices, photographs, music, likenesses or biographies of any individual participant or performer in, or contributor to, any program or any variations thereof for the purpose of distributing and promoting the Service.

"DIRECTV Subscribers" shall mean those customers (both residential and non-residential) authorized by Affiliate to receive DTH service via the DTH Distribution System.

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1.2 The Service.

1.2.1 The "Service" shall mean and consist of the national feed (or, if Programmer uses multiple feeds for the Service, such other of such multiple feeds designated by Affiliate) of the 24-hour Italian-language news programming service commonly known as "Sky TG24"

presented on a 24-hour per day, 7 days a week schedule as represented by the programming schedule attached as Exhibit "B" hereto. The Service shall not contain any home shopping programming. The signal of the Service shall be delivered on a "live" basis.

The Service shall not contain any paid programming, including, without limitation, infomercials or home shopping.

The Service shall be delivered to Affiliate in its entirety, meaning that the programming on the Service, as received by any Service Subscriber at a given point in time, shall be the same as the programming that is received by all other subscribers to the Service (including any programming that uses the name, brand or logo of the Service) at such point in time.

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1.2.2 All rights and title in and to the entire contents of the Services including, but not limited to, films and recordings thereof, title or titles, names, trademarks, concepts, stories, plots, incidents, ideas, formulas, formats, general content and any other literary, musical, artistic, or other creative material included therein shall, as between Programmer and Affiliate, remain vested in Programmer.

1.2.4 Programmer shall not propose or impose upon Affiliate, nor shall Affiliate be obligated to pay, any surcharge or other cost (other than the License Fees provided for in Section 2 hereof) for receipt and distribution of the Service.

1.3 Other Distribution Obligations. In addition, the parties agree as follows:

1.3.1 Subject to Programmer's obligations hereunder and Affiliate's rights under Section 17, Affiliate shall distribute the Service as transmitted by Programmer, in its entirety, in the order and at the time transmitted by Programmer without any intentional and willful editing, delays, alterations, interruptions, deletions or additions (collectively, the "Alterations") excepting: (A) Affiliate's commercial or other announcements, as permitted by Section 3 hereof; (B) Affiliate's electronic guides, (C) news bulletins and other announcements required by emergencies or applicable law, and (D) a Subscriber's use of equipment, programming or other data supplied by Affiliate or any third party to make alterations to the Signal as viewed on the television screen. Programmer acknowledges that the DTH Distribution System requires and applies digital compression and encryption processes prior to transmission and decryption and decompression processes upon reception and agrees that such processing does not constitute an alteration and/or other modification of the Service. Programmer shall fully encrypt the satellite signal of the Service utilizing encryption technology commonly used in the satellite distribution industry.

1.3.2 Programmer shall, at its sole expense, deliver the live feed of the Service in NTSC format from a U.S. domestic communications satellite in the Territory commonly used for transmission of television programming (or, at Programmer's option and expense, a fiber optic or other facility reasonably acceptable to Affiliate) (the "Delivery Source") to Affiliate's uplink and broadcast facility currently located in Los Angeles, California (the "Broadcast Center"). Affiliate reserves the right to designate an alternate and/or one additional location for its Broadcast Center(s), and Programmer shall remain responsible for delivery of the related equipment (e.g., receivers and decoders) to such new location at Programmer's sole expense. In connection with the foregoing, Programmer shall, at its sole cost and expense, (A) deliver such feeds, pursuant to the technical specifications set forth in

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Exhibit "C" attached hereto; and (B) provide Affiliate with two receivers and decoders for the Service for each Broadcast Center. Programmer shall have in place appropriate back-up transponder space on a second domestic communications satellite, or shall reserve back-up fiber link to the Broadcast Center, such that in the event of a failure of the first satellite or fiber link, delivery of the Service to Affiliate shall not be interrupted or discontinued. The format of the backup feed shall be the same format as the primary feed of the Service.

In the event Programmer seeks to change the primary delivery mechanism from which the Service is delivered at any during the Term, Programmer shall provide Affiliate with not less than 'days' prior written notice of such proposed change and, in the event Affiliate approves such proposed change, Programmer shall provide Affiliate with the necessary equipment required to receive the Service, via the new delivery method.

1.3.3 Programmer and Affiliate shall use their respective commercially reasonable efforts to maintain for the Service a high quality of signal transmission in accordance with their respective technical standards and procedures.

1.3.4 Programmer agrees to include closed-captioning and/or video description of the audio portion of the Service as delivered by Programmer to Affiliate in a manner sufficient to allow Affiliate to comply with any closed-captioning and/or video description obligations as may be imposed upon Affiliate or Programmer by FCC (or other governmental) rules and regulations during the Term, as modified from time to time. Other than as required pursuant to the immediately preceding sentence, Affiliate shall have no liability in connection with Programmer's failure to prepare, insert or include closed-captioning and/or video description in the Service as may be required by this Section 1.3.4. Accordingly Programmer shall indemnify, defend and hold harmless Affiliate, as provided in Section 8 hereof, against and from any and all losses, liabilities, claims, costs (including without limitation, any costs of preparing and including closed-captioning and/or video description in the Service), damages and expenses, including without limitation, fines, forfeitures, attorneys' fees, disbursements and court or administrative costs, arising out of Programmer's breach of this Section 1.3.4.

1.4 Program Guide. During the Term, Programmer, at its sole cost and expense, shall provide the daily programming schedule for the Service (including any infomercials contained therein) translated with the English language and using the English alphabet to Tribune Media Service (or such other service as may be designated by Affiliate) in order that Affiliate may access the program schedule for purposes on the on-screen program guide.

1.5 VBI. Programmer acknowledges that digitizing and compressing of the signal of the Service (the "Signal") will result in changes to the Signal. As a consequence, the DTH Distribution System does not currently retransmit any data or information contained in the VBI of the Signal except line 21, fields 1 and 2, and only carries

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a single mono secondary audio program provided that such secondary audio is programmed twenty-four (24) hours per day/seven (7) days per week ("SAP"). Accordingly, in no event shall Affiliate be obligated to transmit more than the primary video and a single stereo pair of primary audio programs to be associated with the Signal, a single mono SAP associated with the Signal, and line 21, fields 1 and 2 of the VBI. Programmer reserves and retains all rights in and to all signal distribution capacity contained within the bandwidth of the Signal, including without limitation, the VBI and audio subcarriers from its transmission point to the point of reception by Affiliate. Affiliate retains and reserves any and all rights in and to, and may use in its sole discretion, all Signal distribution capacity contained within the bandwidth of the Signal, including, without limitation, the VBI and audio subcarriers, from the point of reception by Affiliate to the DIRECTV Subscribers in the Territory.

1.7 Change of Satellite. In the event Programmer either (i) changes the satellite to which the Service is transmitted to a satellite or other transmission medium not susceptible to viewing or utilization by Affiliate's then-existing earth station equipment without affecting the receipt of the signals of any other programming or other services then received (or committed to be received) by such Affiliate, (ii) changes the technology used by Programmer to encrypt the Service to a technology not compatible with Affiliate's then-existing descrambling equipment, or (iii) compresses, digitizes or otherwise modifies the signal of the Service in such a manner that it cannot be received or utilized by Affiliate, then Affiliate shall have the right to discontinue carriage of the Service immediately; provided that this right of discontinuance and deletion shall not apply to Affiliate if Programmer agrees to promptly reimburse Affiliate for (I) the cost to acquire and install equipment necessary for Affiliate to receive the Signal of the Service from such new satellite or other transmission medium, and/or (II) the cost to acquire and install equipment necessary for Affiliate to descramble, receive and/or utilize the signal of the Service; Programmer agrees to provide Affiliate with at least one hundred twenty (120) days' prior written notice of a satellite or technology change as set forth in subsections (i) through (iii) above.

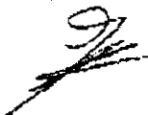
1.8 On-Screen Logos. It is understood and agreed that Affiliate may superimpose a logo or "bug" in a corner of the screen identifying Affiliate over the

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programming of the Service; provided however that Affiliate's bug shall appear only intermittently during any portion of the Service, and provided further that Affiliate shall not delete, obscure in part or in full or manipulate the Service's own promotion bug or its on-screen graphics.

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2. Reports and Payments.

2.1 Reports; Payments; Audit Rights. Within after the end of each month during the Term, Affiliate shall furnish Programmer a statement containing the number of "Service Subscribers" (defined as DIRECTV Subscribers authorized by Affiliate to receive the Service), as calculated by Affiliate as the average of the total number of Service Subscribers on the first and last day of the applicable month (the "Monthly Subscriber Level") together with payment of the License Fees in respect of such Service Subscribers, calculated pursuant to Section 2.2. Notwithstanding the foregoing, Affiliate shall have the right to deduct from any License Fees owing to Programmer any withholding taxes as required by applicable Law.

As used herein, "Law" shall mean any FCC and any other governmental (whether international, federal, state, municipal or otherwise) statute, law, rule, regulation, ordinance, code, directive and order, including without limitation, any court order. Programmer shall accord confidential treatment to any information contained in the aforementioned statement in accordance with Section 15. At Programmer's request, Affiliate shall permit Programmer's independent representatives to review, during the Term (no more than and for after the end of the Term and on a one-time basis, such DIRECTV Subscriber records as required for the sole purpose of verifying such statements at reasonable times, upon reasonable advance written notice and during normal business hours at Affiliate's offices. Such review shall be at Programmer's sole cost and expense. Any third party auditors retained by Programmer shall be a certified public accountant (subject to Affiliate's reasonable approval). Such review shall be conducted

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during reasonable business hours and in such manner as not to interfere with Affiliate's normal business activities and shall not continue for more than .

Programmer shall not have the right to examine or inquire into any matters or items which are embraced by or contained in any such statement after the expiration of

from and after the date of mailing of such statement, and such statement shall be final and conclusive upon Programmer upon the expiration of such period

notwithstanding that the matters or items embraced by or contained therein may later be contained or referred to in a cumulative statement pertaining to more than one accounting period. Such cumulative statement shall not be subject to audit by Programmer to the extent the material contained therein was first reflected on a statement submitted more than

prior to the date of mailing of such cumulative statement. Programmer shall be forever barred from maintaining or instituting any action or proceeding based upon, or in anyway relating to, any matters that are embraced by or reflected on any statement rendered hereunder, or the accuracy of any item appearing therein, unless written objection thereto shall have been delivered by Programmer to Affiliate within

after the date of mailing of the statement on which such transaction or items was first reflected and unless such action or proceeding is commenced within after delivery of such written objection.

Programmer may not commence a new audit until all prior audits have been closed (i.e., after such closure is confirmed in writing by Programmer) and the results have been presented to Affiliate. If Programmer shall audit Affiliate's books and records, then Programmer shall, within

of the conclusion of such audit (i.e. after the auditors conclude the audit at Affiliate's offices), inform Affiliate in writing of any claim resulting therefrom (including a true copy of any third party audit, and, except for the claims set forth in such notice, all statements rendered by Affiliate with respect to the period covered by such audit shall be conclusive and binding on the parties and not subject to further audit. The information derived from and the process of such review shall be subject to the confidentiality provisions of Section 15, and any third party auditor shall be required to acknowledge in writing its agreement to such confidentiality provisions.

**2.2 License Fees.** As full and complete compensation for Affiliate's right to distribute the Service, Affiliate shall pay to Programmer, on a monthly basis, for each Service Subscriber receiving the Service from Affiliate for such month, a "License Fee" determined pursuant to Programmer's rate card for the Service set forth at Exhibit "A" hereto, which rate card is incorporated herein and made a part hereof.

**2.3 Late or Non-Payments.** Any amounts that are not subject to a bona fide dispute by DIRECTV and not paid by Affiliate after (i) the date payment is due pursuant to the first sentence of Section 2.1 and (ii) ten (10) days after Affiliate's receipt of written notice from Programmer of such failure by Affiliate, shall accrue interest at the rate of or at the highest lawful rate, whichever shall be the lesser, from the date such amounts were due until they are paid.

2.4



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2.5 Bulk Billing. Affiliate shall have the right to calculate License Fees with respect to the distribution of the Service to any location containing multiple sites such as rooms, units, seats, televisions, etc., at which the Service may be received at such multiple sites within the location, including, without limitation, hotels, motels, commercial office buildings, hospitals and other healthcare facilities, university dormitories, prisons, multiple dwelling facilities, commercial buses, ships, trains and oil rigs, private and commercial planes, bars and restaurants and similar commercial locations (each, a "Bulk-Rate Facility(ies)"), as follows: "Bulk Bill Service Subscribers" shall be included as Service Subscribers under Section 2.2 above, and such Bulk Bill Service Subscribers shall be calculated monthly by dividing Affiliate's total monthly revenues received (net of applicable taxes, refunds and rebates) from each account at Bulk-Rate Facilities attributable to the level of services received at the Bulk-Rate Facility including the Service, by the non-bulk bill prices of such level of Service. For example if the a la carte residential retail price for the

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Service is \_\_\_\_\_ and the revenue for the distribution of the Service on an a la carte basis to a Bulk-Rate Facility is \_\_\_\_\_ then the amount paid to Programmer shall be \_\_\_\_\_ divided by a-la-carte residential rate \_\_\_\_\_ equals \_\_\_\_\_ equivalent subscribers multiplied by Licensee Fee rate of \_\_\_\_\_ equals \_\_\_\_\_ In no event shall Affiliate pay Programmer more than \_\_\_\_\_ percent of the revenue from the distribution of a Service to a Bulk-Rate Facility.

3. Format for Service. Programmer shall make \_\_\_\_\_ minutes per hour available in the schedule of the Service (such available time defined as "Avails") for commercial or other announcements to be used by Affiliate or by third parties identified by Affiliate, and shall provide Affiliate with reasonable advance notice thereof. The Avail time shall be provided in one-minute increments (rounded up to the nearest :30, if necessary) and evenly distributed throughout each hour (i.e., \_\_\_\_\_ minutes apart if \_\_\_\_\_ breaks and \_\_\_\_\_ minutes apart if \_\_\_\_\_ breaks). Programmer shall notify Affiliate at least seven days in advance of any change in the format of the Avails in the schedule

The Avails provided by Programmer to Affiliate shall be no less favorable, in terms of the nature, use, scheduling, availability, length of the Avails and so forth, than those provided to any other distributor of the Service. In no event shall the total commercial announcement time on the Service exceed \_\_\_\_\_ minutes per hour. Programmer shall properly "tone switch", using industry recognized equipment, via inaudible signals, all commercial announcement minutes to enable Affiliate to insert its commercial announcements. Affiliate shall insert its authorized commercial or other announcements only in the positions and at the times which Programmer designates via cue tones and without interruption of any program of the Service. Affiliate shall be solely responsible for all materials inserted by Affiliate within the Service, and, subject to Section 8, shall fully indemnify and hold Programmer harmless from and against any and all claims and costs arising out of or related to the content of Affiliate's Avails pursuant to this Section 3. Affiliate agrees that it shall not provide any commercial or other announcements which do not comply with applicable governmental codes or Programmer's reasonable policies and practices and, in each case, of which Affiliate has actual knowledge.

4. Marketing and Promotion.

4.1 Packaging. Affiliate shall package and price the Service in a program package(s) (residential or otherwise) as Affiliate may determine in its absolute sole discretion;

\_\_\_\_\_, Affiliate reserves the right to charge access fees and/or local channel fees (with all such proceeds to be retained by Affiliate) for all Service Subscribers that do not subscribe to a standard English-language or Spanish-language programming package.

4.2 Programmer's Sales and Marketing Materials. Programmer shall provide Affiliate, upon Affiliate's request, with promotional and marketing advice for purposes of Affiliate's marketing of the Service. Programmer shall promptly provide

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Affiliate, upon the same terms as provided to any Other Distributor, with any and all promotional, marketing or other related or similar materials of (or related to) the Service which it produces or provides to such Other Distributor;

Programmer shall promote Affiliate's carriage of the Service at least as favorably as it promotes the carriage of the Service by an Other Distributor (including, without limitation, the frequency, prominence and calling by specific name).

4.3 Marketing. With respect to each fiscal year of the Term, Programmer shall contribute funds to support the marketing, advertising and promotion of the Service and the DTH Distribution System of not less than

4.3.1 Programmer's Marketing Materials. Programmer also shall (i) produce and deliver to Affiliate an English-language thirty second (:30) on-air promo spot promoting the Service, which spot shall be subject to Affiliate's reasonable prior approval and updated by Programmer from time to time during the Term, and, to the extent that such are reasonably available to Programmer, any other promotional spot(s) or taped materials promoting the Service, which may be used by Affiliate in on-air commercials promoting the Service, and (ii) deliver to Affiliation other promotional materials, including but not limited to: (A) camera-ready customizable ad slicks in various sizes; (B) camera-ready logos and artwork, preferably in high resolution (300+ dpi) and delivered on Mac disk in Illustrator, Quark Express or Photoshop. Thirty-five millimeter (35mm) color slides are also acceptable; (C) standard press kits, if available; (D) posters and other premium items, which may be included in national program guides and customer statement inserts at Affiliate's sole discretion; and (E) a fact sheet which includes all of the pertinent information relating to the Service. In addition, Programmer shall use reasonable efforts to provide access to the talent/performers appearing on the Service, at no cost to Affiliate, for promotional activities (including on-air promotional spots and print advertising) to promote the Service and the DIRECTV platform.

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4.4 Dealer Showroom Accounts. Affiliate shall be entitled to authorize agents authorized to sell Affiliate's programming services, including without limitation, consumer electronic equipment dealers, TVRO dealers, telephone companies, private cable companies, direct sales agents, and other agents to receive the Service for the sole purpose of demonstrating to their potential retail customers the functioning of satellite reception equipment and Affiliate's services, including the Service. Such agents shall not be deemed Service Subscribers, and therefore, no License Fees shall be payable for distribution of the Service in such manner to such agents.

4.5 VIP Accounts. During the Term of the Agreement, Affiliate shall be entitled to authorize "VIP" subscriber accounts for Affiliate's employees, key customers, vendors, and other similar parties to receive the Service. Such VIP accounts shall not be deemed Service Subscribers, and therefore, no License Fees shall be payable for such VIP accounts.

4.6 Free Preview. Affiliate shall have the right, from time to time, as part of marketing and sales promotions for Affiliate's services, to offer the Service free of charge to Service Subscribers or potential Service Subscribers for one month or more and for free promotions, each not to exceed x to provide other promotional programs (including rebates, coupons or gift certificates) that effectively allow Service Subscribers or potential Service Subscribers to receive the Service without charge for one month or more (all such promotions, "Free Promotions"). Affiliate shall not be obligated to pay any License Fees for Service Subscribers who are receiving such Free Promotions, during such Free Promotion with respect to each Service Subscriber. Affiliate also shall have the right, from time to time, to offer the Service at a discount from its a la carte retail price for one month or more ("Discounted Promotions"). License Fees payable for Service Subscribers who are receiving such Discounted Promotions shall be reduced by the same percentage as the applicable percentage discount for the Discounted Promotion (e.g., if a Service package is discounted by from the a la carte retail price, the License Fees for such Service Subscribers (after the first month) shall be reduced by provided, however, that the Discounted Promotions shall not exceed the equivalent of free in any calendar year of the Term without Programmer's prior consent. In addition, during the Term Affiliate shall not be obligated to pay any License Fees for new Service Subscribers during such Subscriber's initial thirty (30) day service period, whether or not the Service Subscriber is paying Affiliate for such initial service period.

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4.8 Website Links. Each of Affiliate and Programmer shall use commercially reasonable efforts to provide "hot link" to each other's web sites.

5. Representations, Warranties and Covenants.

5.1 By Affiliate. Affiliate warrants, represents and covenants to Programmer that it:

5.1.1 is in compliance with and will comply with all material Laws with respect to its rights and obligations under this Agreement, including without limitation, all relevant provisions of the Cable Television Consumer Protection and Competition Act of 1992 (as may be amended and any successor, replacement or similar Law or statute) and any and all regulations issued pursuant thereto;

5.1.2 has the power and authority to enter into this Agreement and to fully perform its obligations hereunder and once executed and approved shall constitute a valid and binding agreement of Affiliate enforceable in accordance with its terms;

5.1.3 shall distribute the Service in the Territory in accordance with and subject to the terms and conditions set forth in this Agreement;

5.1.5 shall not, without Programmer's consent, knowingly authorize or cause or knowingly permit any portion of the Service to be recorded, duplicated, cablecast, exhibited or otherwise used (except on a videocassette recorder or other home or personal taping device for private, noncommercial use) for any purpose other than for distribution by Affiliate at the time the same is made available;

5.1.6 shall not, without Programmer's prior written approval, use the

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names, titles or logos of the Service or any of its programs, or the names, voices, photographs, likenesses or biographies of any individual participant or performer in, or contributor to, any program or any variations thereof, for any purpose other than in material intended to advise DIRECTV Subscribers or potential DIRECTV Subscribers of the availability and scheduling of the Service or as a channel identifier; and

5.1.7 has obtained, and shall maintain in full force during the Term hereof, such federal, state and local authorizations as are material and necessary to operate the business it is conducting in connection with its rights and obligations under this Agreement; and

5.1.8 the obligations created by this Agreement, in so far as they purport to be binding on Affiliate constitute legal, valid and binding obligations of Affiliate enforceable in accordance with their terms.

5.2 By Programmer. Programmer warrants, represents and covenants to Affiliates that:

5.2.1 (it is in compliance with and will comply with all material Laws with respect to its rights and obligations under this Agreement, including without limitation, all relevant provisions of the Cable Television Consumer Protection and Competition Act of 1992 (as may be amended and any successor, replacement or similar Law or statute) and any and all regulations issued pursuant thereto, as well as all applicable statutes, laws and regulations of the country(ies) in which the content for the Service originates;

5.2.2 it has the power and authority to enter into this Agreement and to fully perform its obligations hereunder and once executed this Agreement shall constitute a valid and binding agreement of Programmer enforceable in accordance with its terms;

5.2.3 the general quality and quantity of programming (including, without limitation, the percentage of broadcast time during which new seasonal material is presented) on the Service shall not materially change from that existing as of the date of this Agreement, and the genre of programming shall not materially change from that described in Section 1.2.1 and existing on the date of this Agreement;

5.2.4 it has obtained, and shall maintain in full force during the Term hereof, such federal, state and local authorizations as are material and necessary to operate the business it is conducting in connection with its rights and obligations under this Agreement;

5.2.5 it has secured and shall maintain all rights necessary for Affiliate to use and enjoy its rights in connection with its distribution of the Service, including, without limitation, obtaining or all necessary trademarks, copyrights, licenses and

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any and all other proprietary intellectual property and other use rights necessary in connection with, and for Affiliate's distribution of, the Service (including without limitation, the right to use the names, titles or logos of the Service or any of its programs, the promotional materials supplied or approved by Programmer, the names, voices, photographs, music, likenesses or biographies of any individual participant or performer in, or contributor to, any program or any variations thereof) in accordance with this Agreement and the Style Guide and to perform its obligations hereunder and grant the rights granted pursuant to Section 1;

5.2.6 it shall not, without Affiliates prior written approval, use the name or logo for "DIRECTV" or any other works owned or controlled by Affiliate (and its related companies);

5.2.7 as of the date hereof, the programming on the Service consists of and during the Term hereof such programming shall consist of, that programming described in Section 1.2.1;

5.2.8 it is in compliance with and will comply with the most favored nations provision set forth at Section 2.4 hereof.

5.2.9 there are no (and it covenants that it shall not enter into directly or indirectly, allow or otherwise permit any) affiliation, distribution or any other agreements, whether written or oral, granting to distributors and/or any other third party, person or entity any form or type of exclusive or other rights that would limit or restrict in any way Affiliate's rights to distribute the Service in the Territory; and

5.2.10 The obligations created by this Agreement, in so far as they purport to be binding on Programmer constitute legal, valid and binding obligations of Programmer enforceable in accordance with their terms.

6. Term; Termination.

6.1 Term; Extension; Service Commencement Date. The term of this Agreement shall be for the period commencing on the date hereof and ending on the anniversary of the Service Commencement Date (as defined below) of the Service (the "Term").

The "Service Commencement Date" means the date on which Affiliate commences distribution of the Service over a DTH Satellite for revenue-generating purposes, which date shall be not later than \_\_\_\_\_ months following the Execution Date:

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6.2 Termination for Breach, Bankruptcy, Discontinuance of Business.

Without limiting any other remedies available to the applicable party under this Agreement, by law or at equity, this Agreement may be terminated by either party (the "Affected Party"), in its discretion, at any time after any of the following occurrences, except as provided in this Agreement, with respect to the other party (the "Other Party"):

6.2.1 the failure by the Other Party, its successors or assigns to perform any material obligation hereunder which is not cured within thirty (30) days after receipt of written notice thereof from the Affected Party or as to which reasonable steps to cure have not been commenced within such period (or are not thereafter diligently pursued and completed within an additional thirty (30) days);

6.2.2 the filing of a petition in bankruptcy or for reorganization by or against the Other Party under any bankruptcy act; the assignment by the Other Party for the benefit of its creditors, or the appointment of a receiver, trustee, liquidator or custodian for all or a substantial part of the Other Party's property, and the order of appointment is not vacated within thirty (30) days; or the assignment or encumbrance by the Other Party of this Agreement contrary to the terms hereof; or

6.2.3 if Affiliate discontinues operation of the DTH Distribution System, or Programmer discontinues operation and distribution of the Service, in either which case neither party shall have any further liability to the other.

6.3 Termination by Affiliate. Without limiting any other remedies available to it under this Agreement, by law or at equity, Affiliate may terminate this Agreement upon thirty (30) days' prior written notice to Programmer:

6.3.1 if at any time the general quality and quantity of programming on the Service materially changes from that existing as of the date of this Agreement, or the genre of programming materially changes from that described in Section 1.2.1 and existing on the date of this Agreement;

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6.5 Force Majeure. Notwithstanding any other provision in this Agreement, neither Programmer nor Affiliate shall have any liability to the other or any other person or entity with respect to any failure of Programmer or Affiliate, as the case may be, to transmit or distribute the Service or perform its obligations hereunder if such failure is due to any failure or degradation in performance of Programmer's U.S. Satellite or the DTH Satellite(s) or transponders on such satellites (as applicable) or of the DTH Distribution System (in which case, Affiliate shall be excused from its distribution obligations under this Agreement), or of any scrambling/descrambling equipment or any other equipment owned or maintained by others (including, without limitation, Affiliate's automated billing and authorization system), any failure at the origination and uplinking center used by Programmer or Affiliate, any labor dispute, fire, flood, riot, legal enactment, government regulation, Act of God, or any cause beyond the reasonable control of Programmer or Affiliate, as the case may be (a "Force Majeure"), and such non-performance shall be excused for the period of time such failure(s) causes such non-performance; provided, however, that if Affiliate determines in its sole discretion that it is commercially or technically unfeasible to cure a Force Majeure with respect to the DTH Distribution System or DTH Satellite and so notifies Programmer, then either party may terminate this Agreement effective upon written notice to the other party. The parties acknowledge and agree that although the Service may at any given time be uplinked to only one of several DTH Satellites, failure or degradation in any of such DTH Satellites may require Affiliate to reduce the number of programming services available for allocation among all of the DTH Satellites, with such reduction including, without limitation, curtailment or termination of the distribution of the Service by Affiliate, at Affiliate's sole discretion. Accordingly, Programmer further acknowledges and agrees that the provisions set forth in the first sentence of this Section 6.5 shall apply and shall exculpate Affiliate and excuse the performance of Affiliate hereunder in the event of a failure or degradation of any of the DTH Satellites or the transponders on any such satellites, regardless of whether the satellite to which the Service is uplinked at the time of such failure or degradation is itself the subject of such failure or degradation.

6.6 Survival. Termination of this Agreement pursuant to this Section 6 shall not relieve either party of any of its liabilities or obligations under this Agreement,

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