## EXHIBIT 6

INITIAL JSA SIDE LETTER AGREEMENT

#### National Broadcasting Company 30 Rockefeller Plaza New York, NY 10112

September 15, 1999

Via Facsimile
Mr. Lowell W. Paxson
Chairman
Paxson Communications Corporation
601 Clearwater Park Road
West Palm Beach, Florida 33401-6233

Dear Bud:

Reference is made to the Investment Agreement (the "Investment Agreement") and Stockholders Agreement (the "Stockholders Agreement"), each dated as of the date hereof, by and between Paxson Communications Corporation ("Company") and the National Broadcasting Company, Inc. ("NBC"). All defined terms used herein and not otherwise defined shall have the meanings set forth in the Investment Agreement.

The parties acknowledge and agree that the opportunity to reduce costs and create operational efficiencies at certain of the television stations owned and operated by the Company is an essential element of each party's evaluation of the transactions contemplated in the Investment Agreement and its decision to enter into such transactions. To this end, the parties hereby agree to negotiate in good faith and use their respective best efforts to reach agreement and enter into definitive documents as soon as practical after the date hereof, but in no event later than November 1, 1999, on the terms and conditions of joint sales agreements ("JSAs") covering WPXW-TV, Manassas, Virginia (the "Washington JSA") and WPXQ-TV, Block Island, RI (the "Providence JSA" and together with the Washington JSA, the "Initial JSAs"), which Initial JSA will be on terms consistent with the terms of this letter agreement and as otherwise negotiated by each of the parties. WPXW and WPXQ are collectively referred to herein as the "Company Stations." The NBC subsidiaries that hold the FCC licenses for NBC's owned and operated stations in Washington, DC, and Providence, RI (collectively the "NBC Stations") will be the respective counter parties under the Initial JSAs with each of the Company Stations. In furtherance of the foregoing objectives, the parties also hereby agree as follows:

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Mr. Lowell W. Paxson

Paxson : ommunications Corporation

September 15, 1999

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- JSA Commencement. The Initial JSAs will be effective as of November 15, 1999, at which time the NBC Stations will commence selling advertising that will air on or after January 1, 1. 2000.
- Compensation Terms. Each NBC Station will be entitled to monthly compensation equal to the sum of (i) an amount equal to the agreed upon budgeted cost of sales incurred by such 2. NBC Station, plus (ii) a commission equal to 10% of all sales revenues generated by WPXW or WPXQ, as the case may be, net of agency commissions. The Initial JSA will include requirements for the written calculation of all disbursements for which NBC would be entitled to compensation.
- Annual Budgets. In order to implement the Initial JSAs in accordance with the schedule set forth in paragraph 1, the Company and NBC shall negotiate in good faith and use their 3. respective best efforts to agree, on or before November 1, 1999, to an annual budget for each Initial JSA, which will set forth, among other things, the forecasted cost of each of Company Station's spot and long-form sales and its expected revenues. The budgets will be prepared on assumptions using agreed upon rate cards, provided, however, that the NBC Station will adjust and sell at rate cards as it deems appropriate.
- Limits on Reducing Advertising Inventory. Under the Initial JSAs, the NBC Stations will have the exclusive right to sell all advertising inventory for WPXW and WPXQ. 4. including spot advertising and long-form paid programming (unless long-form paid programming is sold pursuant to a local marketing agreement with NBC or an NBC Affiliate), respectively, other than advertising time sold by the Pax Net Television Network (the "Network") that is included in programming made available by said Network to all of its affiliated stations. The Company also agrees that the amount of advertising inventory available for sale by each Company Station during the term of the Initial JSAs shall be consistent with, and in no event less than, the schedule set forth on Exhibit A hereto under the heading "Non-Network Spot Inventory" and, to the extent applicable, "Non-Network Long Form Advertising Inventory."
  - Non-Sales Activities. The NBC Stations' responsibilities under the Initial JSAs will be limited to the sale of advertising and specifically will not include marketing, promotions, 5. master control, technical services or research. The Company will be responsible for all Nielsen costs incurred by, or allocated to, any Company Station covered by an Initial JSA.
  - Programming. At NBC's option, each Company Station will broadcast one hour per day of syndicated programming that is also broadcast by NBC, subject to the Company's family 6. friendly programming content standards (i.e., no excessive or gratuitous violence and no

Mr. Lowell W. Paxson Paxson Communications Corporation September 15, 1999 Page -3

explicit sex or language). The parties will mutually agree on the time periods for the Company Stations' broadcast of such syndicated programming.

- 7. Termination. Either party will have the right to terminate an Initial JSA on six months' prior written notice; provided, however that no such notice may be delivered prior to January 1, 2001.
- 8. Binding Arbitration. If, by November 1, 1999, the parties have not executed the Initial JSAs, then parties shall submit the resolution of all unresolved issues to binding arbitration. Such arbitration shall be conducted in accordance with the then existing Rules of Commercial Arbitration of the American Arbitration Association (the "AAA Rules"). The arbitration shall be determined by a single arbitrator who shall be selected in accordance with the AAA Rules, provided that the arbitrator shall be an individual with at least 10 years of professional experience in the cable and broadcast television industry. The arbitration shall take place in a city mutually agreeable to the parties or, failing such agreement, in New York, New York. Any judgment or award rendered by the arbitrator will be final, binding and unappealable and judgment may be entered by any state or Federal court having jurisdiction thereof. The Federal Rules of Civil Procedure shall not apply to any arbitration under this Section. Any controversy concerning whether a dispute is an arbitrable dispute or as to the interpretation or enforceability of this Section shall be determined by the arbitrator. The parties intend that this agreement to arbitrate be valid, enforceable and irrevocable.

### 9. Miscellaneous.

- a. This letter agreement will be governed by and construed in accordance with the laws of the State of New York applicable to contracts to be executed and performed in that state.
- b. NBC and Company shall, keep confidential the terms of this letter agreement; provided, however, that it shall not be a breach of this paragraph the parties to disclose information regarding said terms to their attorneys, accountants or tax advisors, or as may be required by law to any governmental agency or authority, or to a duly constituted arbitrator or court of law; it being understood that; (a) with regard to disclosure to any attorney, accountant or tax advisor, the party so disclosing shall inform the person receiving the information of the applicable provisions of this letter agreement governing confidentiality and shall use best efforts to cause such person to comply with the terms hereof; (b) with regard to disclosure to any governmental agency or authority, the party so disclosing shall take all reasonable steps to maintain the confidentiality of the information from all others than those

Mr. Lowell W. Paxson
Paxson Communications Corporation
September \_\_\_, 1999
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If the foregoing correctly sets forth your understanding of our intentions with respect to the Initial JSAs for each of Company Stations, please indicate by executing a copy of this letter agreement as provided below and returning the same to me.

Very truly yours,

NATIONAL BROADCASTING COMPANY, INC.

By:	
Name:	
Title:	

Accepted and agreed as of this \_\_\_\_ day of September, 1999.

PAXSON COMMUNICATIONS CORPORATION

# Joint Sales Agreen ont Exhibit A Summary

## Non-Network Spot Advertising Inventory is sold as follows: (1)

Monday - Friday Monday - Friday	1:00 PM - 6:00 PM 6:00 PM - 12:00 AM	14.0 Network Units/Hour 14.0 Network Units/Hour	7.0 Minutes/Hour	(3)
Saturday - Sunday	4:00 PM - 6:00 PM	14.0 Network Units/Hour	7.0 Minutes/Hour	(2)
	6:00 PM - 12:00 AM	14.0 Network Units/Hour	7.0 Minutes/Hour	(3)

<sup>(1)</sup> Hours are Eastern Standard Time. There are 28 0:30 second units per hour

## Non-Network Long Form Advertising Inventory is sold as follows: (1)

Monday - Friday Monday - Friday Monday - Friday	7:00 AM - 8:00 AM 10:00 AM - 12:00 PM	1.0 Hour <u>2.0</u> Hour <b>3.0 Hours</b>	x	5.0 Days	15 Hours Week
Saturday Saturday Saturday	9:00 AM - 11:00 AM 1:00 PM - 3:00 PM	2.0 Hour 2.0 <u>Hour</u> 4.0 Hours	x	1.0 Days	4 Hours Week
Sunday Sunday Sunday	9:00 AM - 11:00 AM 1:00 PM - 3:00 PM	2.0 Hour 2.0 Hour 4.0 Hours	x	1.0 Days	4.0 Hours Week

Total Network Long Form Hours Per Week (2)

23.0 Hours Week

<sup>(2)</sup> There are 28 0:30 second units per hour

<sup>(3)</sup> There are 25 0:30 second units per hour

<sup>(1)</sup> Hours are Eastern Standard Time

<sup>(2)</sup> Hours per day are subject to change. Hours per week are not subject to change. JointSalesAgmntSched.xls

## EXHIBIT 7

AFFILIATE SIDE LETTER AGREEMENT

Affiliate JSA Side Letter Agreement

04:40

#### National Broadcasting Company 30 Rockefeller Plaza New York, NY 10112

September 15, 1999

Via Facsimile
Mr. Lowell W. Paxson
Chairman
Paxson Communications Corporation
601 Clearwater Park Road
West Palm Beach, Florida 33401-6233

Dear Bud:

Reference is made to the Investment Agreement (the "Investment Agreement") and Stockholder Agreement (the "Stockholder Agreement"), each dated as of the date hereof, by and between Paxson Communications Corporation ("Company") and the National Broadcasting Company, Inc. ("NBC"). All defined terms used herein and not otherwise defined shall have the meanings set forth in the Investment Agreement.

The parties hereby agree as follows:

As soon as reasonably practical after the date hereof, NBC shall prepare (subject to the 1. Company's approval exercised in its sole discretion), and both parties shall jointly deliver, letters to all NBC Network Affiliates inviting each such Affiliate to commence good faith negotiations with Company with respect to a local marketing, time brokerage, joint sales, joint services or similar agreement, arrangement or understanding (each a "Station Agreement") with respect to a Company Station located in the same DMA as such NBC Network Affiliate (the "Station Agreement Letter"). For a period of six months following the mailing of the Station Agreement Letter (the "Initial Exclusivity Period"), Company will negotiate in good faith and exclusively with each NBC Network Affiliate operating in any market where a Company Station is located, for the purpose of entering into a Station Agreement (i.e., with the Company Station as licensee and the NBC Network Affiliate as broker, sales representative, etc.). NBC and Company contemplate that any Station Agreements would reflect terms and conditions substantially similar to Station Agreements in effect at comparable Company Stations as of the date hereof. From the date hereof until the end of the Initial Exclusivity Period or the Second Exclusivity Period (as defined below), if applicable. Company shall not, and shall not permit any of its Subsidiaries or Affiliates to.

or authorize any director, employee, attorney or other advisor or representatives to, solicit, encourage, knowingly facilitate or enter into discussions or negotiations regarding a Station Agreement with any Person other than a NBC Network Affiliate, except with respect to a Station Agreement covering a Company Station located in a DMA in which no NBC Network Affiliate is located.

- 2. If by the end of the Initial Exclusivity Period, a NBC Network Affiliate has made a good faith indication of interest in entering into a Station Agreement with respect to a Company Station, Company shall be obligated to extend the exclusive negotiations period for an additional three months (the "Second Exclusivity Period"), during which period the NBC Network Affiliate will negotiate in good faith the terms and conditions of the Station Agreement.
- 3. If, at any time following termination of the Initial Exclusivity Period or the Second Exclusivity Period, if applicable, Company or any Company Subsidiary intends to enter into a Station Agreement with any Person other than a NBC Network Affiliate (an "Alternative Party") (except with respect to a Company Station located in a DMA where there is no NBC Network Affiliate or where the NBC Network Affiliate is owned or operated by NBC or an NBC Affiliate), Company shall give written notice five business days prior to entering into such Station Agreement with an Alternative Party (a "Alternative Agreement Notice") to the NBC Network Affiliate located in the same DMA as the relevant Company Station, stating Company's or such Company Subsidiary's intention to enter into such Station Agreement with an Alternative Party, the name of the proposed Alternative Party, and in reasonable detail all other material terms and conditions of such proposed Station Agreement, including, without limitation, any commissions to be paid to the Alternative Party. Company shall not. and shall not permit any Company Subsidiary to enter into any Station Agreement with an Alternative Party that is on terms less favorable to the Company than the Station Agreement proposed by a NBC Network Affiliate during the First or Second Exclusivity Period, as the case may be.
- 4. Norwithstanding the foregoing, NBC, in its sole discretion, shall have the right to waive, at any time, Company's exclusivity obligation hereunder with respect to any NBC Network Affiliate. NBC makes no assurances as to the number of NBC Affiliates who will agree to participate in negotiations with Company regarding any Station Agreements. Company acknowledges that NBC will seek from each NBC Network Affiliate an agreement that, upon termination of such NBC Affiliate's NBC Network affiliation agreement, such NBC Network Affiliate will also terminate any Station Agreement with Company or a Company Subsidiary. In the event that NBC sends notice to an NBC Network Affiliate that NBC intends to terminate its affiliation agreement with such NBC Network Affiliate, and such

Mr. Lowell W. Paxson
Paxson Communications Corporation
September 15, 1999
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If the foregoing correctly sets forth your understanding of our intentions with respect to the NBC Network Affiliates, please indicate by executing a copy of this letter agreement as provided below and returning the same to me.

Very truly yours,

NATIONAL BROADCASTING COMPANY, INC.

Ву:	 	 
Name:	 	 
Title:		 

Accepted and agreed as of this 15th day of September, 1999.

PAXSON COMMUNICATIONS CORPORATION

### **Ехнівіт 8**

ADDITIONAL JSA AND NETWORK SALES SIDE LETTER AGREEMENT

#### National Broadcasting Company 30 Rockefeller Plaza New York, NY 10112

September 15, 1999

Via Facsimile
Mr. Lowell W. Paxson
Chairman
Paxson Communications Corporation
601 Clearwater Park Road
West Palm Beach, Florida 33401-6233

Dear Bud:

Reference is made to the Investment Agreement (the "Investment Agreement") and Stockholders Agreement (the "Stockholders Agreement"), each dated as of the date hereof, by and between Paxson Communications Corporation ("Company") and the National Broadcasting Company, Inc. ("NBC"). All defined terms used herein and not otherwise defined shall have the meanings set forth in the Investment Agreement.

The parties acknowledge and agree that the opportunity to reduce costs and realize other operational efficiencies at the Network and the Designated Stations (as defined in Section 2 below) has been an essential element of each party's evaluation of the transactions under the Investment Agreement and a principal incentive in its decision to enter into such transactions. In furtherance of these objectives, the parties hereby agree as follows:

1. Additional Joint Sales Agreements. The parties agree to negotiate in good faith and use their respective best efforts to reach agreement as soon as practicable after the date hereof on joint sales agreements (collectively, the "Additional JSAs") covering all Designated Stations, other than those joint sales agreements to be entered into by the parties with respect to WPXW-TV, Manassas, Virginia, and WPXQ-TV, Block Island, RI (collectively, the "Initial JSAs"). The parties further agree to reach agreement on all material terms of all Additional JSAs, including without limitation the date on which the relevant NBC Station will assume advertising sales responsibilities (the "JSA Effective Date"), by not later than June 1, 2000. The parties contemplate that all Additional JSAs will be on terms and conditions substantially similar to the Initial JSAs, with such modifications as are necessary

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Paxson Communications Corporation
September 15, 1999
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to reflect the parties' mutual experience in carrying out the Initial JSAs and their desire to cause such Designated Stations to be profitable on a station by station basis.

- 2. Certain Defined Terms Relating to the Additional JSAs. For purposes of this Letter Agreement: "Company Station" means any television station owned or operated, as of the date hereof or at any time hereafter, by the Company or any Company Subsidiary; "NBC Station" means any television station owned, as of the date hereof or at any time hereafter, by NBC or any Subsidiary of NBC; and "Designated Station" means any Company Station located in the same DMA as an NBC Station.
- 3. Facilities and Services Agreements. The parties agree, subject to all applicable FCC rules and regulations, to use all commercially reasonable efforts to identify and jointly analyze opportunities to reduce non-sales costs and create other operational efficiencies for all Designated Stations, and to negotiate in good faith agreements regarding the same ("Facilities and Services Agreements"). By way of example only and without limitation, under the terms of a Facilities and Services Agreement, an NBC Station could provide a Designated Station in its DMA with (i) access to and use of (a) office space and equipment, (b) studio, editing and master control space and equipment, and (c) broadcast operations facilities and equipment, including equipment required for digital broadcasting; (ii) technical services, including installation, monitoring and maintenance of the Designated Station's facilities and equipment; or (iii) traffic, research or back-office functions. Each Facilities and Services Agreement would provide that the Designated Station and the NBC Station would share equally in any cost savings realized by the Designated Station and, if any, by the NBC Station, as result thereof.
- Programming. Subject to all applicable FCC rules and regulations, the parties agree to use commercially reasonable efforts to identify, analyze and carry out opportunities to generate efficiencies from certain programming owned by NBC or the NBC Stations, including by way of example only and without limitation, the possibility of broadcasting an NBC Station's local newscast, or NBC-owned syndicated programming, on a Designated Station on a time-shifted basis, all subject to the Company's family friendly programming content standards.
- 5. JSA Exclusivity. In order to ensure that the parties have a complete opportunity to carry out the provisions of Sections 1 and 3-4 above, the Company agrees that, so long as the Investor Rights have not terminated pursuant to the Stockholder Agreement, the Company shall not, and shall not permit any of its Affiliates to or authorize or permit any officer, director, employee, attorney or other advisor or representative of the Company or any of its Affiliates to, directly or indirectly, take any action to solicit, initiate, encourage or knowingly facilitate, or enter into or participate in any discussions or negotiations regarding, any JSA, joint

Mr. Lowell W. Paxson Paxson Communications Corporation September 15, 1999 Page -3

services, local marketing, time brokerage or similar agreement, arrangement or understanding with respect to any Designated Station, with any Person other than NBC or one of its Affiliates.

- 6. No Conflicts. Section 1 above notwithstanding, neither party, nor any of their respective Affiliates, shall be obligated to enter into an Additional JSA to the extent that such JSA would result in (a) the violation of any law or regulation, or any order or decree of any court or Governmental Entity or (b) any conflict with, breach or termination of, or default under, any material agreement to which such party or any of its assets is bound as of the date hereof, provided, however, that the Company represents and warrants that as of the date hereof neither the Company nor any of its Affiliates is party to any agreement of the type described in Section 5 that would bind or otherwise apply to any Designated Station.
- 7. Network Sales Agreement. The parties agree to negotiate in good faith and use their respective best efforts to reach agreement as soon as practicable after the date hereof, but in no event later the November 15, 1999, on an agreement (the "Network Sales Agreement"), pursuant to which NBC will serve as the Company's sole and exclusive sales representative for the sale of Network Advertisements (as defined below) during the Network Advertising Time (as defined below). (The right to sell, or represent the Company in respect of sales of, Network Advertisements is referred to herein as the "Network Sales Rights".) Pursuant to the Network Sales Agreement, NBC would commence the sale of Network Advertisements on or before January 2, 2000.
- 8. Certain Definitions Relating to the Network Sales Agreement. For purposes of this Letter Agreement, "Network Advertisements" means all commercial advertising which is sold, billed to or paid for by advertisers, their agencies or buying services, on a basis of being simultaneously distributed (subject only to variances due to time zone differences) to all viewers of the Network service; and "Network Advertising Time" means no less than the schedule of advertising units and programming hours attached as Exhibit A hereto under the heading "Network Spot Advertising Inventory," which sets forth the minimum amount in minutes per hour of advertising time for various parts of each broadcast day and minimum Network programming hours during which the Network service is distributed.

## 9. Cost Allocation and NBC Commission.

a. In order to enter into the Network Sales Agreement by November 15, 1999, the parties shall negotiate in good faith and use their respective best efforts to agree, on or before such date, to an equitable allocation of the costs and expenses associated with NBC's performance of the Network Sales Rights (the "Sales Costs").

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Paxson Communications Corporation
September 15, 1999
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- b. The parties agree that as consideration for carrying out the Network Sales Rights, NBC will be entitled to a commission (the "Commission") based on Annual Net Revenues (as defined below) as follows: The Commission will be structured to incentivize NBC to generate incremental sales in excess of the Company's current Net Revenues (the "Current Level"), as mutually determined by the parties. In addition, the parties agree that the Commission on Annual Net Revenues in excess of \$125,000,000 (or such other amount to be mutually agreed upon) will be 15%. NBC will not entitled to a Commission on Annual Net Revenues below the Current Levels, provided, however NBC shall be reimbursed for all Sales Costs, as agreed upon pursuant to paragraph 9 (a), it incurs in carrying out such sales below Current Levels. For purposes hereof, "Net Revenues" shall mean the annual gross receipts on all Network Advertisements sold by NBC, less agency, buying service or other sales commission paid to or withheld by the advertiser or agency, as the case may be.
- 10. Network Sales Agreement Exclusivity. The Company agrees that from the date hereof until the termination of the Network Sales Agreement pursuant to Section 11 below, the Company will not, nor will it permit any of its Affiliates to or authorize or permit any officer, director, employee, attorney or other advisor or representative of the Company or any of its Affiliates to, directly or indirectly, hire, retain, use or appoint any other sales representative, agency or other party for the sale of any of the Network Advertising Time.
- 11. Termination of Network Sales Agreement. The parties contemplate that the Network Sales Agreement will remain in effect until the earlier of (i) ten years after the date hereof, (ii) in the event that the Operating Rights shall become terminable under and as defined in the Stockholders Agreement, the date specified by the Company, in its sole discretion, but in any event no earlier that the date of termination of the Operating Rights, or (iii) upon six months' prior written notice by NBC to the Company, provided that such notice may not be delivered prior to July 1, 2000. In the event of any such termination, NBC shall be paid its Commission on any Network Advertisements sold prior to the effective date of termination for broadcast at any time thereafter. In the event of any termination by NBC, NBC shall in good faith continue to sell Network Advertisements prior to the effectiveness of such termination, utilizing rates and other customary terms and practices (ie., NBC shall not sell at unreasonably discounted rates or for excessively long contracts or guarantee excessive ratings, etc.).
- Binding Arbitration. If, (i) by June 1, 2000, the parties have not reached agreement on all material terms and conditions of all the Additional JSAs, including, without limitation, each respective JSA Effective Date, or (ii) by November 15, 1999, the parties have not entered

Mr. Lowell W. Paxson Paxson Communications Corporation September 15, 1999 Page -5

into the Network Sales Agreement, then, in either case, the parties shall submit the resolution of all unresolved issues, including, without limitation, the allocation of all Network Sales Costs, if applicable, to binding arbitration. Such arbitration shall be conducted in accordance with the then existing Rules of Commercial Arbitration of the American Arbitration Association (the "AAA Rules"). The arbitration shall be determined by a single arbitrator who shall be selected in accordance with the AAA Rules, provided that the arbitrator shall be an individual with at least 10 years of professional experience in the cable and broadcast television industry. The arbitration shall take place in a city mutually agreeable to the parties or, failing such agreement, in New York, New York. Any judgment or award rendered by the arbitrator will be final, binding and unappealable and judgment may be entered by any state or Federal court having jurisdiction thereof. The Federal Rules of Civil Procedure shall not apply to any arbitration under this Section. Any controversy concerning whether a dispute is an arbitrable dispute or as to the interpretation or enforceability of this Section shall be determined by the arbitrator. The parties intend that this agreement to arbitrate be valid, enforceable and irrevocable.

#### 13. Miscellaneous.

- a. This letter agreement will be governed by and construed in accordance with the laws of the State of New York applicable to contracts to be executed and performed in that state.
- NBC and the Company shall, keep confidential the terms of this letter agreement; provided, however, that it shall not be a breach of this paragraph the parties to b. disclose information regarding said terms to their attorneys, accountants or tax advisors, or as may be required by law to any governmental agency or authority, or to a duly constituted arbitrator or court of law; it being understood that; (a) with regard to disclosure to any attorney, accountant or tax advisor, the party so disclosing shall inform the person receiving the information of the applicable provisions of this letter agreement governing confidentiality and shall use best efforts to cause such person to comply with the terms hereof; (b) with regard to disclosure to any governmental agency or authority, the party so disclosing shall take all reasonable steps to maintain the confidentiality of the information from all others than those required to be so informed; and (c) with regard to disclosure to third parties in any arbitral or court proceeding, the party so disclosing shall provide prompt written notice to the other party of the possible necessity to disclose, provide that other party a full and reasonable opportunity to seek protection of the information in the proceeding and, in all other respects, act in good faith to preserve the information from public disclosure.

Mr. Lowell W. Paxson
Paxson Communications Corporation
September 15, 1999
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If the foregoing correctly sets forth your understanding of our intentions with respect to the Additional JSAs and Network Sales, please indicate by executing a copy of this letter agreement as provided below and returning the same to me.

Very truly yours,

NATIONAL BROADCASTING COMPANY, INC.

Accepted and agreed as of this 15th day of September, 1999.

PAXSON COMMUNICATIONS CORPORATION

# Network Sales Agreement Exhibit A Summary

## Network Spot Advertising Inventory is sold as follows: (1)

Monday - Friday	1:00 PM - 6:00 PM	14.0 Network Units/Hour	7.0 Minutes/Hour
Monday - Friday	6:00 PM - 12:00 AM	11.0 Network Units/Hour	5.5 Minutes/Hour
Saturday - Sunday	4:00 PM - 6:00 PM	14.0 Network Units/Hour	7.0 Minutes/Hour
Saturday - Sunday	6:00 PM - 12:00 AM	11.0 Network Units/Hour	5.5 Minutes/Hour

<sup>(1)</sup> Hours are Eastern Standard Time

## Network Long Form Advertising Inventory is sold as follows: (1)

Monday - Friday Monday - Friday Monday - Friday Monday - Friday Monday - Friday	6:00 AM - 7:00 AM 8:30 AM - 10:00 AM 12:00 PM - 1:00 PM 12:00 AM - 1:00 AM	1.0 Hour 1.5 Hour 1.0 Hour 1.0 Hour 4.5 Hours	x	5.0 Days	22.5 Hours Week
Saturday Saturday Saturday Saturday Saturday	7:00 AM - 8:00 AM 8:30 AM - 9:00 AM 11:00 AM - 1:00 PM 12:00 AM - 1:00 AM	1.0 Hour 0.5 Hour 2.0 Hour 1.0 Hour 4.5 Hours	x	1.0 Days	4.5 Hours Week
Sunday Sunday Sunday Sunday Sunday Sunday Sunday	7:00 AM - 9:00 AM 11:00 AM - 1:00 PM 3:00 PM - 4:00 PM 12:00 AM - 1:00 AM	2.0 Hour 2.0 Hour 1.0 Hour 1.0 Hour 6.0 Hours	<b>x</b> .	1.0 Days	6.0 <u>Hours Week</u> 33.0 Hours Week

<sup>(1)</sup> Hours are Eastern Standard Time

<sup>(2)</sup> Hours per day are subject to change. Hours per week are not subject to change.

## EXHIBIT 9

RALEIGH-DURHAM TIME BROKERAGE AGREEMENT

TIME BROKERAGE AGREEMENT

AS OF

SEPTEMBER 15, 1999

BETWEEN

OUTLET BROADCASTING, INC.

AND

PAXSON COMMUNICATIONS LICENSE COMPANY, LLC

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## TIME BROKERAGE AGREEMENT

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This TIME BROKERAGE AGREEMENT (the "Agreement") is made as of September 15, 1999, between OUTLET BROADCASTING, INC., a Rhode Island corporation ("Broker"), and PAXSON COMMUNICATIONS LICENSE COMPANY, LLC, a Delaware limited liability company ("Licensee").

## WITNESSETH:

WHEREAS, Paxson Communications Corporation ("PCC"),
National Broadcasting Company, Inc. ("NBC"), Lowell W. Paxson,
Second Crystal Diamond Limited Partnership and Paxson
Enterprises, Inc. have entered into a Stockholder Agreement dated
September 15, 1999 (the "Stockholder Agreement"); and

WHEREAS, Broker is wholly owned by NBC and Licensee is wholly owned by PCC; and

WHEREAS, Broker is in the business of producing and transmitting news, sports, informational, public service and entertainment programming and associated advertising on Television Station WNCN(TV), Raleigh, North Carolina; and

WHEREAS, Licensee is the licensee of Television Station WFPX(TV), Fayetteville, North Carolina (the "Station"), pursuant to a license issued by the Federal Communications Commission; and

WHEREAS, Broker desires to provide a minimum of twenty-six (26) hours of programming each week to be transmitted on the Station, pursuant to the provisions hereof and pursuant to applicable regulations of the Federal Communications Commission ("FCC"); and

WHEREAS, Licensee desires to accept and transmit programming supplied by Broker on the Station while maintaining control over the Station and continuing to broadcast Licensee's own public interest programming;

NOW, THEREFORE, in consideration of these premises and the mutual promises, undertakings, covenants and agreements of the parties contained in this Agreement, the parties hereto do hereby agree as follows:

....

# ARTICLE I PROGRAMMING AGREEMENT

- provide, for transmission by the Station, programming, including long-form paid programming acquired by Broker. Subject to its rights under Section 1.3, Licensee agrees to broadcast the rights under Section 1.3, Licensee agrees to broadcast the Brokered Programming Monday through Friday during the hours of Brokered Programming Monday through Friday during the hours of 6:00 a.m. through 8:00 a.m. and 10:00 a.m. through 1:00 p.m. and one additional hour on Saturday at a time to be determined by the parties (called the "Brokered Periods"). None of the Brokered Programming shall include content that violates the PAX TV programming content standards. Licensee shall have the right to approve any religious programming included in the Brokered approve any religious programming and its transmission by Programming. All Brokered Programming and its transmission by the Station shall be subject to the supervision and control of Licensee, as provided in this Agreement.
  - responsibility for ascertainment of the needs, interests and issues pertaining to its community of license and service area and shall broadcast appropriate programming that is responsive to auch needs, interests and issues, including educational and informational programming designed for children ages 16 and under informational programming"). Such programming shall be broadcast at ("Licensee Programming"). Such programming shall be broadcast at times determined by Licensee, provided, however, that, subject to licensee's rights under Section 1.3, Licensee may not delete or preempt any Brokered Programming for the purpose of transmitting such Licensee Programming.
    - Broker, except as provided in Section 3.2, Licensee may preempt or delete any Brokered Programming which violates the PAX TV programming content standards or Licensee believes to be unsatisfactory or unsuitable or contrary to the public interest, or to substitute programming which, in Licensee's opinion, is of greater local or national importance.

# ARTICLE II

retain responsibility for the employment of such personnel as is necessary to assure compliance with all FOO regulations. Including all technical regulations governing the operation of the Station and all programming content requirements, including maintenance of a main studio and providing a meaningful

managerial and staff presence at the main studio, ascertainment of and programming in response to community needs and concerns and the needs and concerns of children, and compliance with political programming laws and regulations, sponsorship identification rules, lottery and contest regulations, FCC identification rules and policies, maintenance of the children's programming rules and policies, compiling appropriate Station's public and political files, compiling appropriate quarterly issues programs lists, children's programming reports, employment records and all other FCC requirements and duties.

- control and supervision, Broker shall provide at Broker's sole expense the programming specified in paragraph 1.1 hereof and shall be responsible for implementing its transmission by the Station, utilizing, subject to Licensee's supervision and Station, assets owned by Licensee to the extent necessary. To direction, assets owned by Licensee to the use of tangible station the extent Broker reasonably requires the use of tangible station assets owned by Licensee to enable Broker to fulfill its obligations under this Agreement, Licensee shall make the use of such assets reasonably available to Broker at no cost.
- discretion to make and effectuate all staffing and personnel decisions for the Station, including the sole responsibility to determine appropriate levels of staffing to fulfill Licensee's duties under paragraph 2.1 herein. Broker shall have no control or right of review whatsoever over any decision by Licensee to hire or dismiss any Licensee employee.
- 2.4 <u>Station Maintenance</u>. Licensee shall maintain operational control over the Station and shall retain full responsibility for ensuring compliance with all FCC technical rules.

# ARTICLE III FEES AND OTHER CONSIDERATION

- monthly fees set forth in Exhibit A hereto. Payments shall be made by wire transfer or by delivery of a check to licensee in accordance with instructions to be provided by licensee to Broker. In the absence of such instructions, Broker shall make Broker. In the absence of such instructions, by delivery all payments required by the terms of this agreement by delivery of a check to licensee at the address specified below.
  - 3.2 Adjustments. Licensee may broadcast licensee Programming pursuant to paragraph 1.2 during any hours in which

Broker does not supply Brokered Programming. If at any time during the term of the Agreement, the Station shall fail to carry Brokered Programming supplied by Broker, when offered, Licensee shall broadcast such programming during other hours of equivalent value during the same week.

# ARTICLE IV TERM

- 4.1 Initial Term. Subject to renewal or termination as provided below, the initial term of this Agreement shall commence on the date hereof (the "Commencement Date") and shall expire on the earlier of (a) 7 years, (b) termination of the Operating Rights, as defined in the Stockholder Agreement, pursuant to Article IV of the Stockholder Agreement, (c) upon sale of the Station, unless the purchaser of the Station agrees to assume Licensee's obligations hereunder, or (d) such date as termination of the Agreement is required by the rules, regulations, policies or any order of the FCC, provided, however, that in the event termination would be required pursuant to the provisions of this Section 4.1, but would not be required if Broker were to reduce the number of hours per week of Brokered Programming provided to Station, Broker may in its sole discretion elect to provide fewer hours per week of Brokered Programming and thereby avoid the need to terminate this Agreement.
  - 4.2 Renewal Term. To the extent permitted by the rules, regulations and policies of the FCC, this Agreement shall automatically renew for an additional period of 7 years, unless Broker provides written notice of nonrenewal no later than one year prior to the expiration of the Initial Term.
  - the event that Licensee fails to perform under this agreement except as provided in paragraph 8.1) by broadcasting fewer than 26 hours per week of Brokered Programming when such programming is provided by Broker, except in the case of preemptions permitted by Section 1.3 hereof, Broker shall have the right, to terminate this Agreement upon no less than 30 days notice to licensee unless on or before the end of such 30-day period licensee has satisfied its make good obligation under Section 1.2. If such termination shall occur pursuant to this paragraph, such termination shall extinguish and cancel this Agreement without further liability of Broker to Licensee, provided, without further liability of Broker to Licensee, provided,

this paragraph, there shall be a final accounting of monies due but unpaid under this Agreement.

# 4.4 Termination for Failure to Pay Programming Fee.

In the event Broker shall fail to timely pay Licensee the fees required under this Agreement, Licensee shall have the right to terminate this Agreement upon no less than 30 days notice to Broker unless on or before the end of such 30 day neriod Broker has satisfied its payment obligations. If such termination shall occur pursuant to this paragraph, such termination shall extinguish and cancel this Agreement without further liability of Licensee to Broker, provided, however, that, upon termination of this Agreement by Licensee under this paragraph, there shall be a final accounting of monies due but unpaid under this Agreement.

Except as is provided in paragraphs 4.3 and 4.4, should either party be in breach of this Agreement for the nonperformance of a material obligation, this Agreement may be terminated by the non-defaulting party if such breach shall continue for a period of 30 days following the receipt of written notice from the non-defaulting party, which notice shall indicate the nature of such default; provided, however, that there shall be a final accounting of monies due but unpaid under this Agreement.

#### ARTICLE V ASSIGNABILITY

benefit of and be binding upon Licensee, Broker and their respective successors and assigns, provided, however, that neither Broker nor Licensee shall assign or transfer its rights, neither Broker nor Licensee shall assign or transfer its rights, benefits, duties or obligations under this Agreement without the prior written consent of the other party. Upon any sale of the Station to a successor licensee or upon a transfer of control of Licensee, Licensee shall use its best efforts to obtain, as a condition of any such sale or transfer of control, the agreement of the assignee or transferee that this Agreement shall be assigned to and/or assumed by any subsequent owner of the Station.

### ARTICLE VI REGULATORY MATTERS

## 6.1 Renegotiation Upon FCC Action.

If the FCC determines that this Agreement is inconsistent with Licensee's licensee obligations or is otherwise contrary to FCC policies, rules and regulations, or if regulatory or legislative action subsequent to the date of this Agreement alters the permissibility of this Agreement under the FCC's Rules or the Communications Act of 1934, as amended, the parties shall renegotiate this Agreement in good faith and recast this Agreement in terms that are likely to cure the defects determined by the FCC and return a balance of benefits to both parties comparable to the balance of benefits provided by the Agreement in its current terms. If, after such good faith negotiations, either party determines in the exercise of commercially reasonable business judgment that recasting the Agreement to meet the defects determined by the FCC is impossible without materially changing the fundamental business arrangement contemplated by the parties, either party may terminate this Agreement upon 30 days prior written notice. If termination shall occur pursuant to this paragraph, such termination shall extinguish and cancel this Agreement without further liability on the part of either party to the other, provided, however, that there shall be a final accounting of monies due but unpaid under this Agreement.

## 6.2 Regulatory Matters.

- requirements of the FCC or Securities and Exchange Commission that may require the filing or public disclosure of this Agreement or any of its terms and conditions. Without limiting the generality of the foregoing, the parties agree to file this Agreement with the FCC as soon as possible, but in no event later than five business days from the date hereof.
- necessary to obtain FCC consent for the implementation, continuation or further effectuation of any element of this Agreement, both parties hereto shall use their best efforts diligently to prepare, file and prosecute before the FCC all petitions, waiver requests, applications, amendments, rulemaking comments and other related documents necessary to secure and/or retain FCC approval of all aspects of this Agreement, provided, however, that neither party shall be required to seek a change in the "grandfathering" policies of the FCC with respect to

television time brokerage agreements as set forth in the FCC's Report and Order (FCC 99-209) adopted August 5, 1999 in MM Docket Nos 91-221 and 87-8. Broker and Licensee shall bear in equal measure the reasonable cost of preparation of any such documents, provided that each party has approved such expenditures.

# ARTICLE VII REPRESENTATIONS AND WARRANTIES, COVENANTS

- 7.1 <u>Licensee's Representations and Warranties</u>. Licensee represents and warrants to Broker as follows:
  - (a) Organization. Licensee is a corporation, duly organized, validly existing and in good standing under the laws of its state of organization and has full power and authority to own its property, licenses and permits, and to carry out all of the transactions contemplated by this Agreement.
  - (b) Compliance with Law. Licensee has complied with in all material respects and will continue to comply with in all material respects all laws, rules and regulations governing the business, ownership and operations of the Station that are material in any way to this Agreement. The carrying out of this Agreement will not result in any violation of or be in conflict with Licensee's Articles of Incorporation and By-laws, or any existing judgment, decree, other, statute, law, rule or regulation of any governmental authority applicable to Licensee.
  - (c) <u>Authority</u>. All requisite corporate authorizations necessary for the execution, delivery, performance and satisfaction of this Agreement by Licensee have been duly obtained and complied with.
  - Commencement Date, Licensee's permit or license and all related authorizations for the Station are in full force and effect and unimpaired by any acts or omissions of Licensee, its employees or agents; and there is no complaint, condition, event, defect or occurrence existing or, to the knowledge of Licensee, threatened against said authorization(s) that would materially threaten their retention or renewability by Licensee.
  - 7.2 <u>Broker's Representations and Warranties</u>. Broker represents and warrants to Licensee as follows:

. . . . . .

- (a) <u>Organization</u>. Broker is a corporation duly organized, validly existing and in good standing under the laws of its state of organization and has full power and authority to own its property and to carry out all of the transactions contemplated by this Agreement.
- (b) <u>Corporate Authority</u>. All requisite corporate resolutions and other authorizations necessary for the execution, delivery, performance and satisfaction of this Agreement by Broker have been duly adopted and complied with.
- 7.3 Licensee's Affirmative Covenant. Licensee covenants and agrees that it will comply in all material respects with all applicable federal, state and local laws, rules and regulations (including, without limitation, all FCC rules, policies and regulations) and the performance of its obligations under this Agreement.
- and agrees that it will comply in all material respects with all applicable federal, state and local laws, rules and regulations (including, without limitation, all FCC rules, policies and regulations) in the provision of the Brokered Programming to Licensee and the performance of its other obligations hereunder.

# ARTICLE VIII

- 8.1 Force Maneure. Notwithstanding anything contained in this Agreement to the contrary, neither party shall be liable to the other for failure to perform any obligation under this Agreement (nor shall any charges or payments be made in respect thereof) if prevented from doing so by reason of fires, strikes, labor unrest, embargoes, civil commotion, rationing or other orders or requirements, acts of civil or military authorities, acts of God or other contingencies, including equipment failures and denial of the license renewal application of the Station due to a comparative challenge by a third party unrelated to licensee, beyond the reasonable control of the parties, and all requirements as to notice and other performance required hereunder within a specified period shall be automatically extended to accommodate the period of pendency of such contingency which shall interfere with such performance.
  - 8.2 Notice. All notices, requests, demands and other communications that are required or may be given pursuant to the

terms of this Agreement shall be in writing and shall be deemed given when delivered by hand, overnight courier, or sent by facsimile transmission or on the third day after mailing if mailed by registered mail, postage prepaid, return-receipt requested, as follows:

## (a) If to Licensee, to:

Paxson Communications Corporation 601 Clearwater Park Road West Palm Beach, Florida 33401-6233

Attention: Lowell W. Paxson

with a copy to:

John R. Feore, Jr.
Dow, Lohnes & Albertson, PLLC
1200 New Hampshire Ave., NW
Washington, DC 20036

## (b) If to Broker, to:

National Broadcasting Company 30 Rockefeller Plaza New York, New York 10112

Attention: General Counsel

with a copy to:

Diane Zipursky, Esq.
National Broadcasting Company
1299 Pennsylvania Ave., NW
11th Floor
Washington, DC 20004

or to such other address as any party shall have designated by notice in writing to the other parties.

use its best efforts not to take any action that will unreasonable interfere, threaten or frustrate the other party's purposes or business activities, and that it will keep the other party informed of, and coordinate with the other party regarding, any of its activities that may have a material effect on such party.

- 8.4 <u>Press Releases: FCC Filings.</u> Except as may be required by law or any governmental agency, no announcement to the press or to any third party of the transactions contemplated herein shall be made by either party unless the same shall be approved in advance in writing by both Broker and Licensee. The parties shall comply with all FCC requirements concerning the filing of television time brokerage agreements and the placement of such agreements in station public inspection files.
- 8.5 <u>Severability</u>. Subject to paragraph 6.1, if any provision of this Agreement is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remainder of this Agreement shall not be affected thereby, and the parties agree to use their best efforts to negotiate a replacement article that is neither invalid, illegal nor unenforceable.
- 8.6 Entire Agreement. This Agreement constitutes the entire agreement of the parties with respect to its subject matter and supersedes all prior agreements and understandings of the parties, oral and written, with respect to its subject matter. This Agreement may be modified only by an agreement in writing executed by all of the parties hereto.
- covenants and agreements made herein by the parties hereto or in any certificate to be delivered hereunder or made in writing in connection with the transactions contemplated herein shall survive the execution and delivery of this Agreement. All such representations, warranties, covenants and agreements shall survive for one year past the date on which this Agreement terminates.
- provided, Licensee and Broker shall pay their own expenses incident to the preparation and carrying out of this Agreement, including all fees and expenses of their respective counsel.
- date of execution hereof, the parties shall take such further action and execute such further documents, assurances and certificates as either party reasonably may request of the other to effectuate the purposes of this Agreement.
- one or more counterparts, each of which shall be deemed an criginal, but all of which together shall constitute one and the same instrument, and shall become effective when each of the

parties hereto shall have delivered to it this Agreement duly executed by the other party hereto.

- 8.11 <u>Headings</u>. The headings in this Agreement are for the sole purpose of convenience of reference and shall not in any way limit or affect the meaning or interpretation of any of the terms or provisions of this Agreement.
- 8.12 <u>Dealings with Third Parties</u>. Neither party is nor shall hold itself out to be vested with any power or right to bind contractually or act on behalf of the other as its contracting broker, agent or otherwise for committing, selling, conveying or transferring any of the other party's assets or property, contracting for or in the name of the other party, making any contractually binding representations contractually binding such party.

#### 8.13 Indemnification.

- (a) Each party shall forever, to the fullest extent permitted by law, protect, save, defend and keep the other party harmless and indemnify said other party against, all claims, demands, causes of action, loss, investigations, proceedings, demands, penalties, fines, expenses and judgments, including reasonable attorneys' fees and costs, arising directly or indirectly out of the negligence or willful misconduct of such other party or the breach by such party of its obligations under this Agreement.
- (b) Broker shall, to the fullest extent permitted by law, protect, save, defend and keep Licensee and its officers, directors, employees and agents and each of them harmless and indemnify them from and against any and all loss, damage, liability or expense, including reasonable attorney's fees, resulting from any claim of libel, slander, defamation, copyright infringement, idea misappropriation, invasion of right of privacy or publicity or any other claim against Licensee arising out of Broker's programming on the Station provided that licensee give Broker prompt notice of any claim and shall cooperate in good faith with Broker in attempts to resolve and settle any such claims. The foregoing shall not apply to the use of any new matters that Licensee may insert in or adjacent to Broker's programming. Broker's indemnification obligation shall survive this Agreement for a period of one year following termination of the Agreement.

- 8.14 Governing Law. This Agreement shall be construed under and in accordance with the laws of the State of New York, without giving effect to the principles of conflict of laws.
- 8.15 No Joint Venture. Nothing in this Agreement shall be deemed to create a joint venture on the part of Broker and Licensee.

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IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first above written.

OUTLET ERCADCASTING, INC.

\*

By: Name:

Title:

PAKSON COMMUNICATIONS LICENSE COMPANY, LLC

BV:

Name: Lowell W. Paxson

Title Manager

#### EXHIBIT A

- In the case of Brokered Programming that consists of longform paid programming, the fee paid to Licensee by Broker shall be 85% of all collections from the sale by Broker of such brokered programming (net of agency commissions), and such fee shall be due and payable no later than the 5th day In the case of of each month with respect to such month. Brokered Programming that consists of programming other than long-form paid programming, (a) the total time available to Broker for such brokered programming (inclusive of advertising avails) shall be determined by the parties and (b) Broker shall pay Licensee for the Brokered Periods during which Broker supplies such programming (i.e., programming other than long-form paid programming) according to rates to be agreed upon by the parties for such periods; provided, however; in no event shall the amount of time reserved by Licensee pursuant to clause (a) of this paragraph 1 cause the total amount of Brokered Programming provided by Broker hereur :r to be less than 25.3 hours per week. The amount paid by Broker to Licensee for Brokered Programming that consists of programming other than longform paid programming shall be due and payable each month on a date to be agreed upon by the parties.
- 2. The initial rates to be charged by Broker for Brokered Programming shall be determined by the parties, and such rates shall be subject to adjustment on a quarterly basis with the consent of Licensee and Broker.
- 3. Broker shall provide the Brokered Programming for broadcast on the Station commencing on October 18, 1999, or such other date as may be agreed upon by the parties (but in no event later than October 30, 1999).

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# **Ехнівіт 10**

**NEW YORK JOINT SALES AGREEMENT** 

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# JOINT SALES AGREEMENT

THIS JOINT SALES AGREEMENT (the "Agreement") is effective as of July 1, 2000, by and between PAXSON COMMUNICATIONS OF NEW YORK-31, INC., a corporation ("Paxson-NY"), and WNBC, a division of NATIONAL BROADCASTING COMPANY, INC., a Delaware corporation ("WNBC").

#### RECITALS:

WHEREAS, Paxson New York License, Inc. (a wholly owned subsidiary of Paxson-NY) is the licensee of Television Station WPXN-TV, New York, New York (the "PCNY Station") and collectively with Paxson-NY ("PCNY") is engaged in the business of operating and programming the PCNY Station (the "Business");

WHEREAS, WNBC is the licensee of Television Station WNBC-TV, New York, New York (the "WNBC Station"), and is experienced in the management and operation of commercial television stations;

WHEREAS, Paxson Communications Corporation ("PCC"), the parent company of PCNY, launched a television programming service known as the "PAX TV Network Service" in August 1998 with the goal of providing family-friendly entertainment programs on a 24-hour per day basis nationwide, thereby reaching a demographic not fully served by the traditional broadcast and cable television networks;

WHEREAS, PCC, National Broadcasting Company, Inc., which is WNBC's parent company, and certain other parties have entered into an Investment Agreement and Stockholder Agreement (the "Stockholder Agreement"), both dated as of September 15, 1999, pursuant to which National Broadcasting Company, Inc. has acquired a thirty-two percent (32%) minority ownership interest in PCC;

WHEREAS, in order to support the economic viability and development of the PAX TV Network Service, PCNY desires to retain the services and expertise of WNBC to sell advertising on the PCNY Station and to perform related sales and other support services;

WHEREAS, WNBC is willing to provide PCNY with its services and expertise related to the sales and operations of local TV broadcast stations; and

WHEREAS, it is the parties' expectation that WNBC, with its experience and sales infrastructure, will improve the overall efficiency of the PCNY Station's sales process and reduce costs, thereby helping to ensure that the PAX TV Network Service remains a viable alternative for both television viewers and advertisers.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto, intending to be legally bound, agree as follows:

# I. SERVICES PROVIDED BY WNBC

WNBC agrees to provide to the PCNY Station sales and related sales support services pursuant to the following terms and conditions:

#### A. Sales Services.

- Sales. WNBC, as exclusive sales agent for PCNY, shall maintain such personnel (including account executives and sales managers) as are reasonably necessary to sell national, regional and local spot announcements and, as soon as commercially practical (but in no event later than October 31, 2000), long-form advertising. Such announcements and advertising (collectively, the "PCNY Advertisements") shall be broadcast on the PCNY Station during the days and at the times set forth on Exhibit A hereto, which conform to the PCNY Station's Pax TV Network Affiliation Agreement. The services provided by WNBC pursuant to this Section I.A.1 are referred to herein as the "Sales Services." WNBC shall maintain a separate sales staff to perform the Sales Services. WNBC shall offer to employ such of the PCNY Station's existing sales personnel as shall be mutually agreed upon by WNBC and PCNY. The WNBC sales manager responsible for supervising WNBC's Sales Services shall attend up to two (2) sales meetings per year sponsored by PCC, at PCC's cost. WNBC agrees to only sell PCNY Advertisements during those time periods indicated in Exhibit A WNBC shall provide, in a manner reasonably consistent with its normal business practices, spot order implementation and other customary continuity services. The rates for the PCNY Station's national, regional, local spot and long-form advertising shall be established by WNBC after meaningful consultation with PCNY in connection with preparing and revising the Annual Budget; provided, however, that in establishing such rates WNBC shall seek to maximize revenue from the sale of PCNY Advertisements and shall not seek to benefit the WNBC Station to the detriment of the PCNY STATION.
- 2. <u>Collections</u>. WNBC shall use all commercially reasonable efforts to assist PCNY in the collection of all payments from the sale of PCNY Advertisements. WNBC shall remit any such payments received by WNBC to the PCNY bank lock-box described on Exhibit B.
- WNBC for broadcast on the PCNY Station shall comply with applicable federal, state and local regulations and pertinent governmental policies, including, but not limited to, lottery restrictions, obscenity and indecency prohibitions, deceptive advertising, false representations or deception of any kind, and political broadcasting rules. No material constituting a Personal Attack within the meaning of the FCC's rules and regulations or which is defamatory, violates any right of privacy, infringes on any intellectual property right of another party, or is not in the English language will be accepted for broadcast. WNBC shall notify PCNY in advance of the broadcast of any material which promotes or opposes any candidate for public office or any issue to appear on a ballot or takes a position on a controversial issue of public importance. WNBC shall furnish PCNY with all material required to be made available for public inspection regarding the requests for time by political candidates or the broadcast of controversial issue advertising, including information regarding receipt of any request by or on behalf of a candidate for time and the disposition thereof (whether or not time was furnished and, if so, the terms and

conditions thereof), and the names of officers and directors of any sponsor of controversial issue advertising. All material furnished by WNBC for broadcast on the PCNY Station shall include any and all sponsorship identification announcements as required by the Act, and WNBC shall undertake in good faith to determine each instance where such announcements are required.

- B. <u>Programming.</u> Upon mutual agreement of the parties as to program times and content, PCNY shall broadcast one hour per day of syndicated programming that is under contract to the WNBC Station, or such other programming as the parties mutually agree, Monday through Friday, at no additional expense to PCNY other than providing barter avails required under WNBC's programming agreements. Additionally, if the parties mutually agree, the PCNY Station shall have the opportunity to re-broadcast the WNBC Station's morning, midday and late news programs at such times and on such economic terms as the parties mutually agree. Both parties shall work diligently in good faith to agree a local news and syndicated programming arrangement as soon as reasonably possible after signing of this agreement.
- Content Standards. WNBC agrees to comply with the PAX TV policy regarding advertising and programming content attached hereto as Exhibit C, as the same may be amended by PAX TV from time to time and delivered to WNBC, and with all terms, provisions, conditions and restrictions contained in agreements with the programming service suppliers governing the sale, solicitation and/or exhibition of advertising or promotional material within or on such programming service suppliers' programming services carried on the PAX TV Network Service, but only to the extent PCNY has previously advised WNBC in writing of any such term, provision, condition or restriction. PCNY shall notify WNBC of any objection it has to the content of advertising or programming content, or violations of the advertising and programming policy of PAX TV, or any violation of any programming service agreement; provided that no prior failure to object or assert a violation shall be deemed to be, express or implied, a waiver or modification of WNBC's obligations set forth in the preceding sentence. PCNY shall have the right to reject any commercial matter, programming or other material submitted by WNBC for broadcast on the PCNY Station.

#### D. Infrastructure and Technical Services.

- 1. In order to support the Sales Services, subject to mutual agreement of the parties as to terms and conditions and to reasonable operational and commercial feasibility, WNBC will provide to PCNY the office and studio space, furnishings, equipment and support services as outlined in Exhibit D.
- 2. The costs incurred by WNBC for the provision of such space, furnishings, equipment and services shall be determined by mutual agreement of the PCNY and WNBC, and shall be the subject of a separate budget to be negotiated and mutually agreed upon prior to NBC providing any such facilities or services.
- 3. PCNY shall ensure compliance with applicable requirements of the Communications Act of 1934, as amended, and the rules, regulations and policies of the Federal Communications Commission (the "FCC"), as may be amended from time to time (collectively, the "Act") concerning the location of the PCNY Station's main studio.

- E. <u>Service Standards</u>. WNBC shall perform the services provided by WNBC hereunder in a manner that complies in all material respects with the Act, all other applicable laws and regulations and generally accepted broadcast industry standards.
- F. PCNY Access and Reports. WNBC shall afford to the PCC Regional Vice President with responsibility for the PCNY Station (the "RVP") reasonable access to (i) those WNBC management personnel involved in the relationship described herein and (ii) such advertising agencies and advertisers as PCNY shall reasonably request. WNBC shall use all commercially reasonable efforts to provide the RVP and the PCNY Station's station/business manager with a weekly sales pacing report. In addition, upon PCNY's reasonable request from time to time, appropriate representatives of WNBC, the RVP and the PCNY Station's station/business manager shall participate in telephone conferences for the purpose of updating PCNY on WNBC's performance of the Sales Services under this Agreement.
- G. <u>DTV Programming</u>. At WNBC's election, WNBC and PCNY shall negotiate in good faith the terms by which WNBC shall perform the local and national sales functions for PAX TV entertainment networks that may be carried on the PCNY Station's future DTV channel or channels, recognizing that the principal channel will be the PAX Television Network.

### H. Additional WNBC Covenants.

- I. WNBC shall use its commercially reasonable efforts to promote the PCNY Station in connection with the sale of PCNY Advertisements, to solicit PCNY Advertisements and interview advertisers or their representatives, to service advertising accounts in a business-like manner, and to give assistance in the collection of delinquent accounts sold by it, all with the aim of maximizing advertising revenue for the PCNY Station.
- 2. With respect to any employee hired by WNBC on or after the date hereof for purposes of carrying out the Sales Services, WNBC shall be responsible for all of the obligations and responsibilities of an employer, if applicable, under any federal, state or local laws, regulations or orders now or hereafter in force. Such obligations include, but are not limited to, those relating to taxes, unemployment compensation or insurance, social security, workers' compensation and disability benefits, including the filing of all returns and reports required of employers and the payment of all taxes, assessments, contributions and other sums required of employers. The foregoing notwithstanding, PCNY will be responsible for, and will indemnify WNBC and its affiliates for all claims arising from, any rights of, or other obligations with respect to, employees of PCNY (or its affiliates) who become employees of WNBC, which rights or obligations accrued prior to being employed by WNBC or by virtue of employment with PCNY (or its affiliates), as the case may be, including, without limitation, all tax and social security obligations, severance rights and any rights accrued under any pension or other benefit plan.
- 3. WNBC shall not enter into any harter arrangements on behalf of PCNY without the express prior written consent of PCNY, following written notice to PCNY of any material terms, including, without limitation, the valuation and disposition of barter compensation.

#### II. SERVICES PROVIDED BY PCNY

PCNY agrees to provide the following facilities, equipment and personnel to support the operation of the Business:

A. <u>Employees</u>. PCNY shall employ one station/business manager and one traffic manager who shall direct the day-to-day operation of the PCNY Station and who shall report, and be accountable, to PCNY. PCNY shall also, at its sole expense, employ such other personnel as it deems necessary for the operation of the Business.

#### B. <u>Sales Services</u>.

- 1. <u>Collections</u>. PCNY shall use all commercially reasonable efforts to collect all payments from the sale of all advertising generated by or for the PCNY Station. PCNY will provide WNBC with real-time spot receivable agings upon request.
- 2. Traffic. PCNY shall place the sales orders generated by WNBC on PCNY's proprietary sales traffic system. An employee of PCNY at the PCNY Station will prepare and distribute to an employee of WNBC a daily traffic log. PCNY shall use all commercially reasonable efforts to provide WNBC with real-time avails reports, average unit rate reports and other management reports which PCC currently provides to its owned and operated stations.
- 3. <u>Billing</u>. PCNY shall generate and distribute all invoices for advertising sold by WNBC on behalf of the PCNY Station. PCNY shall provide copies to WNBC of such invoices upon distribution.
- 4. Research. PCNY shall use all commercially reasonable efforts to provide to WNBC at PCNY's expense such routine ratings information and ratings reports for the PCNY Station as are customarily prepared or obtained by the PAX TV Research Department in the ordinary course of business. In order to support WNBC's sales effort on behalf of PCNY, PCNY shall cause PCC to maintain (including timely payment of all fees) any agreements with A.C. Nielsen Company or its affiliates or other ratings information providers customarily used by PCC as a source for local station research information for the PCNY Station.
- 5. <u>Marketing and Promotion</u>. PCNY shall be responsible for all marketing and promotion materials supporting the PCNY Station sales effort, which materials PCNY shall create and provide on a basis consistent with PCNY's current practices.
- 6. <u>Liaison</u>. The RVP shall be WNBC's primary PAX TV liaison for all purposes under this Agreement, including, without limitation, the performance by PCNY of its obligations under this Section II.B.
- 7. Music License Fees. During the term of this Agreement, as between PCNY and WNBC, PCNY is responsible for, and shall promptly pay when due, all music rights payments (including, without limitation, music performance rights, synchronization rights, and master use rights), if any, in connection with the broadcast and/or transmission of the PCNY Advertisements and/or any PCNY programming (including Network and local), as the case may

be. In no event shall any of the foregoing payments be deducted from the computation of Net Revenues pursuant to Section III.C.

- C. <u>Programming</u>, PCNY shall cause PCC to provide for broadcast on the PCNY Station the PAX TV Network Service, as such service may be modified from time to time in accordance with the PAX Affiliation Agreement attached hereto as part of Exhibit A.
- D. <u>Service Standards</u>. PCNY shall perform the services required hereunder in a manner that complies in all material respects with the Act, all other applicable laws and regulations and generally accepted broadcast industry standards.
- E. Sales Information. PCNY represents and warrants that it has provided WNBC with all data and other information available to PCNY that is reasonably related to the preparation of the Initial Budget and WNBC's ability to carry out the Sales Services as set forth herein, including any information relating to long-term advertising commitments, excessive discounts or guarantees or other unusual terms and conditions of advertising commitments (collectively, the "Sales Information"). All such Sales Information is true and complete in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make any statement therein not misleading.

# F. Additional PCNY Covenants.

- l. <u>Exclusiviry</u>. During the period from the date hereof to the date upon which either party provides a notice of termination pursuant to Section V, PCNY shall not hire, tetain, use or appoint any other sales representative, agency or other party for the sale of the PCNY Advertisements.
- 2. PCNY agrees to forward to WNBC all orders for PCNY Advertisements received directly by PCNY or any affiliate. In addition, PCNY agrees to promptly notify WNBC when any advertiser, advertising agency or other party makes a direct approach to PCNY or any of its affiliates for the purpose of purchasing any PCNY Advertisements. In the event of such approach, PCNY shall, and shall cause any such affiliate to, notify the advertiser, advertising agency or other party that the PCNY Advertisement schedule will be placed through WNBC on the same terms and conditions as though it were placed directly with PCNY or such affiliate, and the advertising contract will be issued by WNBC.
- PCNY and WNBC, PCNY is responsible for, and shall promptly pay when due all royalties, residuals (including, without limitation, owed to talent), fees, dues, and other such payments, if any, as may become known to PCNY or WNBC at a future date, in each case in connection with the broadcast and/or transmission of the PCNY Advertisements and programming (including Network and local), as the case may be. In no event shall any of the foregoing payments be deducted from the computation of Net Revenues pursuant to Section III.C.3.
- 4. PCNY agrees to list WNBC as the exclusives sales representative for PCNY Advertisements in all applicable trade listings and in its own advertising and promotional material if and when listings of sales representatives are published by PCNY.

#### III. BUDGET AND COMPENSATION

#### A. Annual Budgets.

- WNBC Budgets. Not later than ninety (90) days prior to the end of each calendar year during the term of this Agreement, WNBC shall submit to PCNY (i) a budget (each an "Annual Cost Budget") for the next calendar year, setting forth in reasonable detail all costs and expenses that WNBC in good faith expects to incur in performing the Sales Services during such upcoming year, including, without limitation, the costs of all personnel (including salary, incentives, bonuses, benefits and payroll services), property, equipment (including repairs and maintenance), office space, office space modifications, utilities, sales marketing costs and other related costs (collectively, the "WNBC Sales Costs"), and (ii) a budget (each an "Annual Revenue Budget" and, together with the Annual Cost Budget, the "Annual Budget"), setting forth WNBC's projected sales revenues with respect to PCNY Advertisements for the upcoming year, as well as the assumptions underlying those projections, including ratings assumptions (it being understood that "ratings" mean the average annual primetime ratings for the PCNY Station measured by total households). Within fifteen (15) days after receiving an Annual Budget from WNBC, PCNY shall notify WNBC of whether it approves or disapproves of the Annual Budget. if PCNY approves the Annual Budget, the Annual Budget shall be considered final for such upcoming year. In the event PCNY disapproves of an Annual Budget, representatives of PCNY and representatives of WNBC shall negotiate diligently to resolve any disputes by the date which is sixty (60) days prior to the end of such calendar year. The Annual Budget for the Year 2000 (the "Initial Budger"), which is attached hereto as Exhibit E, has been approved by both parties.
- 2. PCNY Budger. Not later than ninety (90) days prior to the end of each calendar during the term of this Agreement, PCNY shall submit to WNBC a budget (each an "PCNY Operating Budget") for the next calendar year, setting forth in reasonable detail all costs and expenses that PCNY in good faith expects to incur in operating the Business during such upcoming year, including, without limitation, the cost of all personnel (including salary, incentives, bonuses, benefits and payroll services), property, equipment (including transmission costs, repairs and maintenance), office space, office space modifications and utilities (collectively the "PCNY Operating Costs").

#### B. Reimbursement of Costs.

1. No later than fifteen (15) days after the beginning of each calendar quarter during the term of this Agreement, WNBC shall submit to PCNY (i) an invoice setting forth the budgeted WNBC Sales Costs for such quarter (an "WNBC Invoice") and (ii) an activity statement setting forth in reasonable detail the WNBC Sales Costs actually incurred by WNBC during the prior quarter (an "Activity Statement"). Within fifteen (15) days after receiving an WNBC Invoice, PCNY shall pay to WNBC by wire transfer the full amount of the estimated WNBC Sales Costs set forth therein, as adjusted to account for any over-reimbursement or under-reimbursement of WNBC Sales Costs during the prior quarter as reflected in the accompanying Activity Statement. PCNY shall cause PCC to reimburse WNBC by wire transfer in the third fiscal quarter of 2000 for all reasonably documented costs incurred by WNBC prior to the effective date of this Agreement in performing its obligations hereunder.

The foregoing notwithstanding, without PCNY's prior consent, PCNY shall not be required to reimburse WNBC for any WNBC Sales Costs to the extent that PCNY has already reimbursed WNBC for WNBC Sales Costs incurred during such calendar year in an aggregate amount that exceeds the total Annual Cost Budget for that calendar year by more than five percent (5%); provided, however, that any proportionate increases in WNBC Sales Costs for (i) agency commissions and (ii) variable sales compensation, in each case resulting from sales exceeding the Annual Cost Budget shall not be considered overages for purposes of this paragraph 2.

#### Sales Commission. C.

- Rate. In consideration for WNBC agreeing to exercise and perform in good faith its obligations as contemplated hereunder, and in addition to reimbursement of the WNBC Sales Costs pursuant to Section III.B., PCNY shall pay to WNBC, on a quarterly basis as ser forth below, a commission-based fee (the "Sales Commission") determined with respect to Net Revenues (as defined below) calculated at the rate of ten percent (10%) of Net Revenues. "Net Revenue" shall be defined as gross receipts on all PCNY Advertisements sold by WNBC (as well as any long-form advertising sold by PCNY prior to WNBC assuming responsibility for long-form sales), and billed by PCNY, WNBC or any other party on behalf of PCNY, less agency, buying service or other sales commissions actually paid to or withheld by the advertiser or agency, as the case may be. The computation of Net Revenues shall exclude any revenue with respect to advertising contracts entered into by PCNY prior to the Commencement Date. PCNY will pay the Sales Commissions as set forth in paragraph (2) below.
- Payment. Within five (5) days after the end of each month, PCNY shall deliver to WNBC a billing report organized by account setting forth all necessary details of all advertising contracts placed by WNBC during such month (a "Monthly Billing Report"), along with copies of all corresponding invoices which were rendered to agencies or advertisers. Within fifteen (15) days after each calendar quarter, WNBC shall deliver to PCNY a sales pacing report for such quarter (each a "Quarterly Pacing Report") and an invoice (a "Commission Invoice") setting forth in reasonable detail the Sales Commission owed to WNBC for such quarter, as calculated pursuant to the applicable Quarterly Pacing Report. Within fifteen (15) days of its receipt of a Commission Invoice, PCNY shall pay the Sales Commission set forth therein to WNBC via wire transfer.
- Uncollectable Accounts. If PCNY, using all commercially reasonable efforts, with the cooperation of WNBC, is unable to collect any billings made in respect of the PCNY Advertisements sold by WNBC ("Uncollectable Accounts"), FCNY may, at the end of 120 days after the billing date, deduct from a subsequent Sales Commission payment due WNBC the amount of the Sales Commission previously paid to WNBC with respect to the Uncollectable Accounts. If any Uncollectable Accounts that previously gave rise to a deduction from a Sales Commission are subsequently collected by PCNY or WNBC on behalf of PCNY, then PCNY shall remit all Sales Commissions due on such PCNY Advertisements to WNBC when PCNY makes its next regularly scheduled remittance of Sales Commissions due WNBC.

# IV. STATION OPERATIONS

Nothing in this Agreement shall confer upon WNBC or its employees or agents any right, directly or indirectly, to control, supervise or direct any aspect of the management or operation of the Business and such management and operation shall be and remain the sole responsibility of, and under the control and direction of, PCNY. In providing the services set forth in this Agreement, WNBC shall be an independent contractor. Except as set forth in each Annual Budget, WNBC shall not take any action that obligates PCNY to incur any expense, unless WNBC obtains from an officer of PCNY the prior written authorization to incur such expense. Notwithstanding any provision in this Agreement to the contrary, PCNY will have sole authority and control over the programming and operations of the PCNY Station during the term of this Agreement and, subject to WNBC's obligations hereunder, will bear full responsibility for the PCNY Station's compliance with all applicable provisions of the Act and all other applicable laws.

#### V. TERM OF AGREEMENT

- A. This Agreement shall become effective on July 1, 2000 (the "Commencement Date") and will continue in full force and effect until June 30, 2010. Nonetheless, PCNY, or WNBC, or both, as the case may be, may terminate this Agreement under the following circumstances:
- by either WNBC or PCNY, by giving written notice of termination to the other party, if (i) the party seeking to terminate this Agreement is not then in material breach hereof, and (ii) the other party is in material breach of its obligations hereunder and has failed to cure such breach within thirty (30) days after receiving notice of such breach from the non-breaching party;
  - by mutual written consent of the parties hereto;
- 3. by either WNBC or PCNY by giving written notice of termination to the other party if: (i) this Agreement is declared invalid or illegal in whole or substantial part by an order or decree of an administrative agency or court of competent jurisdiction and such order or decree has become final and no longer subject to further administrative or judicial review; or (ii) there has been a material change in FCC rules, policies or precedent that would cause this Agreement to be in violation thereof and such change is in effect and has not been stayed pending an appeal or further administrative review; provided, however, in either case, the parties hereto shall endeavor to negotiate modified terms to the Agreement;
- 4. by PCNY or WNBC by giving written notice to the other, if, at any time following the date hereof, the Operating Rights, as defined in the Stockholder Agreement, shall become terminable under the terms of such Stockholder Agreement (an "WNBC Ownership Change Event"); provided, however, WNBC may not terminate this Agreement pursuant to this clause 4 earlier than six (6) months after the date of the WNBC Ownership Change Event, and PCNY may not terminate this Agreement pursuant to this clause 4 earlier than the date of the termination of the Operating Rights; or

- 5. by PCNY or WNBC by giving written notice to the other, if, as of the end of any calendar year, the actual revenue from the sale of PCNY Advertisements made by WNBC during that calendar year are more than twenty percent (20%) less than the projected revenue set forth in the Annual Revenue Budget for such year; provided, however, that neither party may terminate this Agreement pursuant to this clause 5 more than thirty (30) days after the end of the calendar year in question; provided further that if the actual average annual prime time ratings for the PCNY Station by total households for such calendar year are less than the ratings assumptions underlying the Annual Revenue Budget (a "Ratings Shortfall"), then, for purposes of this clause 5, the projected revenue set forth in the Annual Revenue Budget shall be reduced in proportion to such Ratings Shortfall.
- B. If this Agreement is terminated for any reason other than by WNBC pursuant to Section V.A.1 above, PCNY may, at its election upon prompt written notice to WNBC, require that WNBC continue to provide all, but not less than all, of the services and facilities required to be provided by WNBC under this Agreement for a maximum period of up to six (6) months following written notice of termination. If WNBC continues to provide all of the services and facilities contemplated hereunder during such period, WNBC shall continue to receive the compensation and the Sales Cost reimbursement as set forth herein. PCNY shall make such payments to WNBC consistent with past budgets and the practices set forth in this Agreement for WNBC Sales Cost reimbursements and Sales Commissions.
- C. In the event of any termination of this Agreement, WNBC shall be paid any carned Sales Commission for PCNY Advertisements sold by WNBC prior to the effective date of the termination of this Agreement for broadcast at any time thereafter. In the event of any termination by either party, WNBC shall continue to sell PCNY Advertisements in good faith prior to the effectiveness of such termination, utilizing rates and other customary terms and practices to the same extent as if no such termination were to occur. If at any time WNBC submits a valid advertising contract or order and PCNY thereafter sells, directly or indirectly, another PCNY Advertisement during the advertising time covered by such valid advertising contract, WNBC shall be entitled to a Sales Commission in respect thereof to the same extent as if such valid advertising contract had been aired on the PCNY Station and generated actual Net Revenues.

## VI. INDEMNIFICATION; INSURANCE

- A. By WNBC. WNBC shall indemnify and hold PCNY and its officers, directors, stockholders, agents and employees harmless against any and all liability for (i) libel, slander, illegal competition or trade practice, infringement of trademarks, trade names, or program titles, violation of rights of privacy, and infringement of copyrights and proprietary rights resulting from or relating to the programming, if any, furnished by WNBC for broadcast on the PCNY Station pursuant to Section LB above, along with any fine or forfeiture imposed by the FCC because of the content of such material and (ii) any breach by WNBC of Article I.C. hereof.
- B. By FCNY. PCNY shall indemnify and hold WNBC and its officers, directors, stockholders, agents and employees harmless against any and all liability for libel, slander, illegal competition or trade practice, infringement of trademarks, trade names, or program titles, violation of rights of privacy, and infringement of copyrights and proprietary rights resulting

from or relating to the advertising, programming, or other material furnished by PCNY for broadcast on the PCNY Station, along with any fine or forfeiture imposed by the FCC because of the content of material furnished by PCNY or any conduct of PCNY.

- C. General. Indemnification shall include all liability, costs and expenses, including counsel fees (at trial and on appeal). The indemnification obligations under this Section shall survive any termination of this Agreement. The obligation of each party to indemnify is conditioned on the receipt of notice from the party making the claim for indemnification in time to allow the defending party to timely defend against the claim and upon the reasonable cooperation of the claiming party in defending against the claim. The party responsible for indemnification shall select counsel and control the defense, subject to the indemnified party's reasonable approval; provided, however, that no claim may be settled by an indemnifying party without the consent of the indemnified party, and provided further that, if an indemnifying party and a claimant agree on a settlement and the indemnified party rejects the settlement unreasonably, the indemnifying party's liability will be limited to the amount the claimant agreed to accept in settlement.
- D. <u>Insurance</u>. WNBC and PCNY shall each carry general public liability and errors and omissions insurance with reputable companies covering their activities under this Agreement, in an amount not less than Two Million Dollars (\$2,000,000) and shall name the other party as an additional insured on such insurance policy to cover programming broadcast while this Agreement is in effect.

# VII. SERVICES AND FACILITIES UNIQUE

The parties hereto agree that the services and facilities to be provided by each party to the other under this Agreement are unique and that substitutes therefor cannot be purchased or acquired in the open market. For that reason, either party would be irreparably damaged in the event of a material breach of this Agreement by the other party. Accordingly, either party may request that a decree of specific performance be issued by a court of competent jurisdiction, enjoining the other party to observe and to perform such other party's covenants, conditions, agreements and obligations hereunder, and each party hereby agrees neither to oppose nor to resist the issuance of such a decree on the grounds that there may exist an adequate remedy at law for any material breach of this Agreement.

# VIIL MISCELLANEOUS

- A. <u>Authorization</u>. Each of PCNY and WNBC represents and warrants that its execution of this Agreement is duly authorized and that its performance of its obligations hereunder shall not violate any obligations, commitments or undertakings previously entered into by such party in any contract, agreement or instrument.
- B. <u>No Parmership or Joint Venture</u>. This Agreement is not intended to be, and shall not be construed as, an agreement to form a parmership, agency relationship or a joint venture between the parties. Except as otherwise specifically provided in this Agreement, neither party shall be authorized to act as an agent of or otherwise to represent the other party.

- Confidentiality. WNBC and PCNY shall keep confidential the terms of this C. Agreement; provided, however, that it shall not be a breach of this paragraph for the parties to disclose information regarding said terms to their attorneys, accountants or tax advisors, or as may be required by law to any governmental agency or authority, or to a duly constituted arbitrator or court of law; it being understood that: (a) with regard to disclosure to any attorney, accountant or tax advisor, the party so disclosing shall inform the person receiving the information of the applicable provisions of this Agreement governing confidentiality and shall use best efforts to cause such person to comply with the terms hereof; (b) with regard to disclosure to any governmental agency or authority, the party so disclosing shall take all reasonable steps to maintain the confidentiality of the information from all others than those required to be so informed; and (c) with regard to disclosure to third parties in any arbitral or court proceeding, the party so disclosing shall provide prompt written notice to the other party of the possible necessity to disclose, provide that other party a full and reasonable opportunity to seek protection of the information in the proceeding and, in all other respects, act in good faith to preserve the information from public disclosure.
- D. Governing Law. This Agreement shall be construed and governed in accordance with the laws of New York without reference to the conflict of laws principles thereof.
- Entire Agreement: Modification. This Agreement, the exhibits hereto, and all documents, certificates, and other documents to be delivered by the parties pursuant hereto, collectively represent the entire understanding and agreement between WNBC and PCNY with respect to the subject matter hereof. No term or provisions hereof may be changed, modified, terminated or discharged (other than in accordance with its terms), in whole or in part, except by a writing which is dated and signed by all parties hereto. No waiver of any of the provisions or conditions of this Agreement or of any of the rights, powers or privileges of a party hereto shall be effective or binding unless in writing and signed by the party claimed to have given or consented to such waiver.
- F. <u>Counterparts</u>. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.
- G. <u>Captions</u>. The captions in this Agreement are for convenience only and shall not be considered a part of, or effect the construction or interpretation of any provision of, this Agreement.
- H. <u>Unenforceability</u>. If any provision of this Agreement or the application thereof to any person or circumstances shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law, except that, if such invalidity or unenforceability should change the basic economic positions of the parties, they shall negotiate in good faith such changes in other terms as shall be practicable in order to restore them to their prior positions. In the event that the FCC alters or modifies its rules or policies in a fashion which would raise substantial and material question as to the validity of any provision of this Agreement, the parties shall negotiate in good faith to revise any such provision of this Agreement in an effort to comply with all applicable FCC rules and policies while attempting to

preserve the intent of the parties as embodied in the provisions of this Agreement. The parties hereto agree that, upon the request of either of them, they will join in requesting the view of the staff of the FCC, to the extent necessary, with respect to the revision of any provision of this Agreement in accordance with the foregoing.

I. <u>Notices</u>. All notices, demands, and requests required or permitted to be given under the provisions of this Agreement shall be (a) in writing, (b) delivered by personal delivery, or sent by commercial delivery service or registered or certified mail, return receipt requested, (c) deemed to have been given on the date of personal delivery or the date set forth in the records of the delivery service or on the return receipt, and (d) addressed as follows:

PCNY:

Paxson Communications of New York-31, Inc.

c/o Paxson Communications Corp.

601 Clearwater Park Road

West Palm Beach, Florida 33401-6233

Attn: General Counsel

With copy to:

Paxson Communications of New York-31, Inc.

c/o WPXN-TV

Artn:

WNBC:

National Broadcasting Company, Inc.

30 Rockefeller Plaza New York, NY 10112 Attn: Jay Ireland

President, Television Stations Division

With copy to:

National Broadcasting Company, Inc.

30 Rockefeller Plaza
New York, NY 10112
Atm: Law Department

- J. <u>Benefit and Binding Effect</u>. Neither party hereto may assign this Agreement without the prior written consent of the other party hereto. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.
- K. Force Majeure. Any delay or interruption in the broadcast operation of either Station, in whole or in part, due to Acts of God, strikes, lockouts, material or labor restrictions, governmental action, riots, natural disasters or any other cause not reasonably within the control of either party shall not constitute a breach of this Agreement, and neither party shall be liable to the other for any liability or obligation with respect thereto.

- L. <u>Further Assurances</u>. The parties shall take any actions and execute any other documents that may be necessary or desirable to the implementation and consummation of this Agreement.
- M. Press Release. Neither party shall publish any press release, make any other public announcement or otherwise communicate with any news media concerning this Agreement or the transactions contemplated hereby without the prior written consent of the other party; provided, however, that nothing contained herein shall prevent either party from promptly making all filings with governmental authorities as may, in its judgment, be required or advisable in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the parties betten have caused this Joint Services Agreement to be signed by their respective duly authorized representatives:

NATIONAL BROADCASTING COMPANY, INC.

Elierbeth A. Newell Administration Societary

PAXSON COMMUNICATIONS OF NEW YORK-31, INC.

Bv:

Dead Gold Project

#### **EXHIBIT A**

# LONG-FORM PROGRAMMING AND SPOT SCHEDULE

# EASTERN TIME ZONE

# LONG FORM PROGRAMMING SCHEDULE

Day	Time	Availability
Monday through Friday	7am-8am	Local/National Long-Form
Saturday	10am-noon 9am – 11am	Local/National Long-Form Local/National Long-Form
	lpm – 3pm	Local/National Long-Form
Sunday	7am-9am	Local/National Long Form
	10am-11am	Local/National Long Form
	1pm-3pm	Local/National Long Form
SPOT SCHEDULE	:	
Day	Time	Availability Per Hour
Monday through Friday	6:00am to 1:00pm	3 minutes*
Monday through Friday	1:00pm to 7:00pm	5 minutes
Monday through Friday	7pm to Midnight	6 minutes
Monday through Friday	Midnight to 1:00am	3 minutes
Saturday and Sunday	6:00am to 4:00pm	3 minutes*
0 - 3 - 4 0 - 4 -		
Saturday and Sunday	4:00 p.m. to 7:00pm	5 minutes
Saturday and Sunday Saturday and Sunday Saturday and Sunday	4:00 p.m. to 7:00pm 7:00pm to Midnight Midnight to 1:00am	5 minutes 6 minutes 3 minutes

<sup>\*</sup> Due to the rules and regulations concerning the airing of children's programming, the availabilities during those hours when children's programming is aired may be restricted.

#### EXHIBIT B

#### **COLLECTIONS INSTRUCTIONS**

PCNY shall establish, control, and maintain in the State of Florida a "lock-box" account (the "Revenue Account"). Collections of all national, regional and local advertising broadcast on the PCNY Station and all non-network long-form paid programming broadcast on the PCNY Station shall be deposited in the Revenue Account by WNBC and PCNY within five (5) business days of receipt. Upon reasonable prior notice to WNBC, PCNY may modify the "lock-box" account procedures in such a manner as PCNY shall determine in it sole discretion.

#### EXHIBIT C

#### PAX TV COMMERCIAL/PROGRAMMING POLICY STANDARDS

PAX TV recognizes its special responsibility to provide programming which reflects our goal of providing high quality, family friendly programming suitable for viewing by all family members Our Commercial Policy Standards also should reflect that goal. This policy applies to spot advertising as well as long-form advertisements/programming.

1. <u>Stereotypes</u>. Commercials which contain racial, ethnic or sexist stereotypes will not be accepted.

# 2. Alcoholic Beverages:

- a. Hard Liquor: Hard liquor advertising is unacceptable. Hard liquor is defined as, but not limited to, whiskey, brandy, gin, cordials, liqueurs and other distilled spirits and mixtures.
- b. Wine: Wine advertising is acceptable. The following standards should be observed:
  - 1. Advertising should not suggest or encourage heavy drinking.
  - 2. Models and actors employed in such advertising should appear to be of legal drinking age.
  - 3. Advertising should carefully avoid any appeal to children.
- c. Cocktail Mixers/Mixes: Advertising is acceptable.
- d. Beer advertising is unacceptable.

# 3. <u>Liquor Stores, Tavems, Bars:</u>

- a. Bars and taverns are not permitted to advertise by themselves if their sole purpose is the sale/dispensing of alcoholic beverages. They may advertise if they are part of a restaurant or hotel and mention in the ad is of that restaurant or hotel.
- b. Liquor store advertising is not acceptable.
- c. "Happy Hour" and like phrases may be briefly used; advertising that devotes itself entirely to a Happy Hour is not acceptable.

# 4. On Camera Drinking:

Advertising that shows on-camera drinking of alcoholic beverages is not acceptable.

#### 5 Bait and Switch Advertising:

Advertising whereby goods and services which the advertiser has no intention of selling and are offered merely to lute the customer into purchasing higher priced substitutes is not acceptable.

#### 6. Casino Advertising:

PAX TV will accept advertising that promotes the hotel or cruise ship entertainment offered at the hotel or cruise ship or available through the hotel or cruise ship but will not accept direct references to betting Advertising for major gaming area hotels (i.e., Las Vegas, Atlantic City) will not be accepted. Any such advertising that encourages or refers to betting will not be accepted.

- a. Any video depiction of, or audio reference to, gambling activities that take place in a casino are not acceptable or any other gaming venue or establishment of any kind (i.e., riverboat, cruise ship).
- b. Advertising of hotels with casinos must focus on non-gambling activities and facilities available at the hotel. These could include, for example, restaurants, floor shows, lounges, shops, sports facilities, types of room accommodations, etc.
- c. You may not use the word "Casino" even if it is part of the hotel name.
- d. Locally authorized or federally exempted gaming will be accepted (i.e., Indian or state approved casinos).

#### 7. Contests/Lotteries:

- a. The broadcast of any advertisement or information concerning a lottery is unacceptable and a criminal offense, except for state-conducted lotteries. A lottery consists of three elements: the offering of a prize; that is dependent in whole or in part upon chance; for which payment or other consideration be made to qualify for the prize. The element of consideration may not only mean money, but substantial time and effort to enter a contest as well.
- b. All details of a contest, including station conducted contests, must be submitted to PAX TV Standards & Practices and Legal for approval.
- 8. <u>Contraceptive Products and Pregnancy Termination Services</u>. Such advertising is not acceptable.

# 9. Cigars, Cigarettes, Pipes:

Cigarette advertising is unacceptable.

Advertising for any kind of smokeless tobacco is unacceptable

Advertising for "little cigars" is prohibited and little cigars are defined as "1,000 of them cannot weigh more than three pounds."

Advertising for cigars and pipes is not acceptable.

#### 10. Credit:

When advertising credit terms, the following consumer disclosure regulations must be adhered to:

- a. Open End Credit. Open-end credit is a revolving credit line such as a bank credit card (i.e., Visa, Mastercard) or a department store credit card that allows a customer to make purchases or obtain loans on a continuing basis. If an advertisement for open-end credit contains any of the following terms, additional disclosures are required:
  - 1. When a finance charge will be imposed (as "interest charged from date of purchase");
  - 2. Any charge other than a finance charge that may be imposed as a part of the repayment plan; or
  - 3. Whether the creditor may acquire a security interest in the consumer's property.

When any of the above terms are used, the advertiser must make the following three disclosures:

- 1. Any type of charge that could be imposed;
- 2. Any period rate that could be applied, such as the annual percentage rate or the variable periodic rate; and
- 3. Any membership or participation fee.

#### b. Closed-End Credit

Closed-End Credit includes all other types of consumer credit that do not fall under "Open-End Credit." (i.e.: Loans obtained from a bank or finance company for the purchase of a specific item, such as a house or car.)

The use of any of the following four terms for closed-end credit requires additional disclosures:

- 1. The amount or percentage of any downpayment:
- 2. The number of payments or period of repayment;
- The amount of any payment;
- 4. The amount of any finance charge.

If any of the above terms are used, the ad should include disclosure of:

- 1. The amount of percentage of downpayment;
- 2. The terms of repayment; and
- 3. The annual percentage rate and whether the rate can be increased.

The following items will NOT trigger the additional disclosures:

"Just say charge it."

"Up to two years to pay."

"Pay only 5% a month."

"All major credit cards accepted."

"Only pay \$10.00 a month."

"Charge some cash."

"Open a revolving budget account."

"Charge accounts available."

Leasing: Ads for auto, furniture or any other kinds of leasing need to disclose the material terms of the lease or have a 1-800 number for consumers to call to receive all of the relevant disclosure if they do not contain a lengthy disclosure about the payments due and other terms.

The legal department should review any such advertising about which there are questions.

### 11. Cross Media Sales:

Commercials will be accepted with day and date if that network will allow reciprocity for PAX TV to air our day and date. The same applies to local station sales involving competing stations. Nonetheless, the Network President must be notified prior to the scheduling of such spots.

# 12. Movie Advertising:

PAX TV should not be used for the promotion of materials designed to appeal to the frurient, even when the commercial announcement itself is well produced and in good taste. Further, advertising which demeans religion, race, sex or national origin shall not be used, nor shall advertising which overemphasizes sex, crime, violence and brutality.

"G" Rated Motion Pictures: Advertising is accepted in all time periods.

"PG" Rated Motion Pictures: Advertising accepted in all time periods.

"PG-13" Rated Motion Pictures: Advertising accepted in all time periods except those adjacent to Children's Programming.

Advertising for "R" rated movies is acceptable for broadcast after 9 p.m., but only on a case by case basis.

Advertising for "NC-17" rated movies is unacceptable at any time.

Unrated movies are generally unacceptable, but Standards and Practices may designate the promotion of such a film as acceptable.

13. <u>Magazines</u>: Advertising for Playboy, Playgiri, Penthouse and similar and related smagazines, books and periodicals is not acceptable.

- 14. <u>Cable TV</u>: Advertising for cable systems/pay cable, pay TV channels which primarily carry X-rated or so-called adult programming is unacceptable.
- 15. Foreign Language Programming. PAX TV will not accept foreign-language news or entertainment programming for broadcast unless said programming is film product purchased by the Programming Department for air on the Network.
- 16. <u>Dating/Singles Services</u>: Advertising is acceptable subject to the prior approval of Standards and Practices.
- 17. Firearms. Ammunition, Fireworks:

Advertising for rifles and ammunition as well as bows during hunting and fishing programs is acceptable.

Advertising for automatic firearms and handguns is unacceptable.

Mail order accounts for firearms and ammunition is unacceptable.

Advertising for the sale of fireworks is unacceptable.

Advertising for licensed public fireworks display is acceptable.

Advertising for gun shows is unacceptable.

- 18. <u>Use of the Word "Guarantee" in Advertising</u>: The Federal Trade Commission actively monitors advertising which make or implies guarantee terms. When advertising copy is submitted to any PAX TV operation and makes reference to a guarantee of the product or service being advertised, the station must request a copy of the full written guarantee applying to the product or service. The advertising copy should be compared to the full written guarantee to make sure there is no misleading of the consumer.
- 19. <u>Racetrack Advertising</u>: Parimumel Advertising is unacceptable. Advertising for tip sheets, done sheets and the like is unacceptable.
- 20. <u>Religious Programs</u>: No religious programs, or advertising of religious programs or organizations which solicit financial compensation or payment by viewers is acceptable. Only local churches/synagogues and services generated from the community of the station airing such programming/advertising will be accepted.
- 21. Psychics. No advertising for the services of psychics or numerologists will be accepted.
- 22. <u>State Law: Professional Advertisine</u>: Each television station should acquire a copy of the rules and regulations governing the advertising of certain services and products issued by their state. These can usually be obtained by the state broadcaster's association or other broadcasters in the station's market. These rules also state the rules each state has pertaining to the regulation of professional advertising (i.e., lawyers, plastic surgeons, etc.)

#### **EXHIBIT D**

#### SPACE AND FACILITIES PLAN

### Space and Facilities Provided by WNBC for PCNY Station

- access and use of sufficient office space and furnishings, including office equipment, for use by PCNY Station's station/business manager and traffic manager.
- sufficient space for PCNY Station's editing facilities, including all servers, receivers, monitors, cables and other equipment associated with such facilities. All PCNY 's master control equipment will be integrated with WNBC's equipment.
- sufficient space to permit PCNY to maintain and make available to the public the PCNY
  Station's public inspection file, subject to and in accordance with applicable requirements of
  the Act.
- sufficient space for PCNY Station's studio transmitter link or fiber feed and associated
  equipment and sufficient space for or use of two TVRO satellite dishes and associated
  equipment. Microwave transmitter/receiver will be combined onto existing WNBC
  microwave dish if necessary.
- reception services and telephone equipment with separate lines for use by PCNY Station
  personnel, including facilities required to terminate such T-1 lines as are required to connect
  the PCNY Station's computers to the PCC computer network in West Palm Beach, Florida.

#### WNBC Technical Services Provided by WNBC for PCNY Station

- monitoring and maintenance of PCNY Station's technical equipment and facilities and assistance with the installation, repair, maintenance and replacement of PCNY Station's equipment and facilities.
- services of necessary master control operators for PCNY Station's master control facilities located in the Studio Building.
- WNBC shall perform the engineering functions of a Chief Operator for PCNY Stations, as required by the rules and regulations of the FCC.

#### Implementation Plan

The above-described facilities and services shall be provided at such locations in or near WNBC's facility located at 30 Rockefeller Plaza, New York, New York 10112 (the "Studio Building") as are mutually acceptable to PCNY and WNBC.

The above-described space and facilities shall be provided in accordance with the timetable established by the parties. Subject to operational feasibility and the parties reaching mutual agreement on commercial terms and conditions, the target completion date of operational implementation of the above shall be not later than October 31, 2000.

# EXHIBIT E ANNUAL BUDGET

[See Attached]

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EVENUE (1)	
Local	2,170,722
National	1.780.112
Paid Programming	2,947,165
OTAL GROSS REVENUES	6,898,000
Agency Commissions	1.034,700
IET REVENUES	5,863,300
PERATING EXPENSES	
JSA Commission (10%)	586.330
Local Sales Cost Including Benefits	323 000
National Sales Cost Including Benefits (15%)	
MCO Staff/Benefits	50,000
Maintenance Costs	168,500
MCR Rent	
Office Rent	38,125
Promotion/Outside Advertising (2)	
Postage	
Travel/Enterrainment	5,00
Telephone	5,00
Miscellaneous	
Construction / PC (OTO)	369,00
TOTAL OPERATING EXPENSES	1,544,96