

**EXHIBIT A**

EXECUTION COPY

FOURTH AMENDMENT AND RESTATEMENT OF  
CREDIT AGREEMENT

Dated as of October 22, 2003

among

PEGASUS MEDIA & COMMUNICATIONS, INC.

THE SEVERAL LENDERS FROM  
TIME TO TIME PARTIES HERETO

and

BANK OF AMERICA, N.A.,  
as Administrative Agent for such Lenders,

---

BANC OF AMERICA SECURITIES LLC,  
as Sole Lead Arranger

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## FOURTH AMENDMENT AND RESTATEMENT OF CREDIT AGREEMENT

This **FOURTH AMENDMENT AND RESTATEMENT OF CREDIT AGREEMENT** (this "Agreement"), dated as of October 22, 2003, is entered into by and among Pegasus Media & Communications, Inc., a Delaware corporation (the "Borrower"), the Lenders party hereto, Deutsche Bank Trust Company Americas (in its capacity as the resigning Agent, the "Resigning Agent") and Bank of America, N.A., as administrative agent for the Lenders (in such capacity the "Successor Agent" or the "Agent"), and is made with reference to that certain First Amended and Restated Credit Agreement dated as of January 14, 2000 (as amended by (i) that certain First Amendment to Credit Agreement dated as of July 23, 2001, (ii) that certain Second Amendment to Credit Agreement dated as of November 13, 2001 and (iii) that certain Third Amendment to Credit Agreement and Consent dated as of July 22, 2003, the "Existing Credit Agreement"), by and among the Borrower, the Lenders, the Syndication Agent, the Resigning Agent and the Documentation Agent.

### RECITALS

A. The Borrower, the Lenders (other than the Tranche D Term Loan Lenders) and the Resigning Agent are parties to the Existing Credit Agreement.

B. The Borrower desires to obtain additional funds (i) to repay all Revolving Loans and terminate the Commitments, (ii) to prepay a portion of the Initial Term Loans and Incremental Term Loans outstanding on the Fourth Amendment Effective Date and (iii) for working capital, Capital Expenditures and general corporate purposes.

C. The Tranche D Term Loan Lenders are willing to provide such funds, all subject to the terms and conditions of this Agreement.

D. The Borrower and the Lenders have agreed to amend and restate the Existing Credit Agreement in its entirety as follows as of the Fourth Amendment Effective Date.

E. In connection with this Agreement and as set forth in the Resignation and Assignment Agreement of even date herewith among the Resigning Agent, the Successor Agent and the Borrower and attached hereto as Schedule I (the "Resignation and Assignment Agreement"), the Resigning Agent is resigning as "Agent" under the Loan Documents and the Successor Agent has agreed to the appointment by the Required Lenders (with the consent of the Borrower) as the "Agent" under the Loan Documents.

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

Subject to the satisfaction of the conditions set forth in Section 3.01 hereof, from and after the Fourth Amendment Effective Date the Existing Credit Agreement is hereby amended and restated in its entirety to read as follows:



## I-A. PRELIMINARY MATTERS.

(a) The parties hereto acknowledge, stipulate and agree that, immediately prior to giving effect to this Agreement and the application of the proceeds of the Tranche D Term Loan in the manner contemplated by Section 1.09A on the date hereof, the information set forth on Schedule I-A attached hereto is a true, correct and complete list of the name of each Lender, the address for providing notice to such Lender as contemplated by Section 13.03 of the Existing Credit Agreement the Commitment of such Lender and the outstanding principal amount, applicable interest rate and interest period and the amount of accrued interest and fees for each Revolving Loan, Initial Term Loan and Incremental Term Loan held by such Lender.

(b) As set forth in the Resignation and Assignment Agreement, the Resigning Agent desires to resign as "Agent" under the Loan Documents as of the Fourth Amendment Effective Date and the Successor Agent desires, as of the Fourth Amendment Effective Date, to be appointed as the "Agent" under the Loan Documents as amended hereby. The Borrower, the Required Lenders and the Successor Agent hereby (i) waive the requirement under Section 10.08 of the Existing Credit Agreement that the Resigning Agent provide the Lenders and the Borrower with ten (10) days' prior written notice of its election to resign as the "Agent" under this Agreement, the Security Documents and the other Loan Documents pursuant to this paragraph (b) and (ii) accept the resignation of the Resigning Agent as the "Agent" under this Agreement, the Security Documents and the other Loan Documents.

(c) The Required Lenders hereby appoint, and the Borrower hereby consents to the appointment of, the Successor Agent to act as the "Agent" under the Agreement, the Security Documents and the other Loan Documents and the Required Lenders hereby authorize the Resigning Agent to execute such documents and take such actions as may be requested by the Successor Agent pursuant to Section 2 or 3 of the Resignation and Assignment Agreement. The Required Lenders hereby expressly consent to, acknowledge and approve of all provisions of the Resignation and Assignment Agreement.

(d) As set forth in the Resignation and Assignment Agreement, the Successor Agent has accepted the appointment of the Required Lenders (consented to by the Borrower as provided above) and agreed to serve as "Agent" under this Agreement, the Security Documents and the other Loan Documents.

## I. GENERAL TERMS.

### Section 1.01. Revolver Facilities.

The Commitments, along with all of the Lenders' obligations with respect thereto, hereby expire, terminate and are reduced to zero on the Fourth Amendment Effective Date. Such date shall be the "Expiration Date" as defined in the Existing Credit Agreement, and on such date and thereafter no Person shall have any obligation or commitment under this Agreement to advance any additional amount or extend additional credit to the Borrower in respect of any Commitments or any Revolving Loans, and, other than as set forth in Section 13.01 of the

Existing Credit Agreement, the rights and obligations of the Revolving Lenders under the Existing Credit Agreement are hereby terminated, notwithstanding any subsequent amendment, modification, waiver or termination of the Credit Agreement or any other Loan Document. The termination of the Commitments hereunder shall constitute a voluntary termination of Commitments under Section 1.08(a) of the Existing Credit Agreement (notwithstanding the fact that such termination shall occur automatically and without further act upon the effectiveness of this Agreement), and all notices required by the Borrower under such section are hereby waived.

**Section 1.02. Letters of Credit.**

The Issuing Bank shall have no obligation to issue, and no Lender shall have any obligation to participate in, any Letters of Credit on or after the Fourth Amendment Effective Date, and on such date and thereafter no Person shall have any obligation or commitment under this Agreement to issue, confirm, accept, be nominated with respect to, or participate in, or cause any Person to issue, confirm, accept, be nominated with respect to, or participate in, any additional letter of credit under the Existing Credit Agreement, and, other than as set forth in Section 13.01 of the Existing Credit Agreement, the rights and obligations of the Issuing Bank under the Existing Credit Agreement are hereby terminated, notwithstanding any subsequent amendment, modification, waiver or termination of the Credit Agreement or any other Loan Document.

**Section 1.03. Initial Term Loans.**

(a) Subject to the terms and conditions contained in this Agreement as in effect on the Closing Date, the Lenders then party to this Agreement made loans to the Borrower on the Closing Date in an aggregate principal amount of \$275,000,000 (collectively, the "Initial Term Loans"). As of the Fourth Amendment Effective Date, after giving effect to the application of the proceeds of the Tranche D Term Loans on such date by the Resigning Agent in accordance with Section 1.09A hereof, the outstanding principal amount of the Initial Term Loans is \$75,630,521.43, and is allocated among the Lenders as set forth in Schedule 1.03(a) (subject to adjustment for assignments under Article XII).

(b) The Initial Term Loans are evidenced by the Borrower's promissory notes, substantially in the form attached hereto as Schedule 1.03 (together with any additional such promissory notes issued to any assignee(s) of the Initial Term Loans under Article XII or otherwise issued in substitution therefor or replacement thereof, the "Initial Term Notes").

(c) The Borrower will pay to the Agent, for the ratable account of each Lender, the principal under the Initial Term Notes, without setoff, deduction or counterclaim, in eighteen (18) installments, payable on each Quarterly Date in each year, commencing March 31, 2001, with a final installment payable on April 30, 2005, when all amounts outstanding under the Initial Term Notes, including all outstanding principal and accrued interest, fees, expenses and other charges in respect thereof shall be due and payable in full. Each such payment shall be in the respective percentage of the Initial Term Loans set forth in the following table:

Payment Dates	Aggregate Percentage of Principal Payable
March 31, 2001 through June 30, 2004	.25%
September 30, 2004, December 31, 2004 and March 31, 2005	25.00%
April 30, 2005	Unpaid Balance

**Section 1.04. Incremental Term Loans.**

(a) Subject to the terms and conditions contained in this Agreement, the Borrower may from time to time, by written notice to the Agent and the Syndication Agent, request additional term loans in accordance with and pursuant to the terms of this Section 1.04 up to a maximum aggregate principal amount of \$200,000,000 (collectively, the "Incremental Term Loans").

(b) The Incremental Term Loans, if any, shall be made prior to June 30, 2002 in installments of at least \$50,000,000 in the aggregate on each Credit Extension Date. No Incremental Term Loans repaid may be reborrowed hereunder. As of the Fourth Amendment Effective Date, after giving effect to the application of the proceeds of the Tranche D Term Loans on such date by the Resigning Agent in accordance with Section 1.09A hereof, the outstanding principal amount of the Incremental Term Loans is \$17,636,334.43, and is allocated among the Lenders as set forth in Schedule 1.03(a) (subject to adjustment for assignments under Article XII).

(c) The Incremental Term Loans shall be evidenced by the Borrower's promissory notes in the aggregate principal amount of no more than \$200,000,000, in the form attached hereto as Schedule 1.04(c) (together with any additional such promissory notes issued to any assignee(s) of the Incremental Term Loans under Article XII or otherwise issued in substitution therefor or replacement thereof, the "Incremental Term Notes").

(d) The Borrower will pay to the Agent, for the ratable account of each Lender, the aggregate principal under the Incremental Term Notes outstanding as of June 30, 2002 (the "Incremental Term Loan Principal"), without setoff, deduction or counterclaim, in sixteen (16) installments, payable on each Quarterly Date in each year, commencing September 30, 2001, with a final payment on July 31, 2005, when all amounts outstanding under the Incremental Term Notes, including all outstanding principal and accrued interest, fees, expenses and other charges in respect thereof shall be due and payable in full. Each such payment shall be in the respective percentage of the Incremental Term Loan Principal set forth in the following table:

Payment Dates	Aggregate Percentage of Principal Payable
September 30, 2001 through	.25%

September 30, 2004	
December 31, 2004, March 31, 2005 and June 30, 2005	25.00%
July 31, 2005	Unpaid Balance

**Section 1.04A. Tranche D Term Loans.**

(a) Subject to the terms and conditions contained in this Agreement, the Tranche D Term Loan Lenders agree to make term loans to the Borrower on the Fourth Amendment Effective Date in an aggregate principal amount of \$300,000,000 (collectively, the "Tranche D Term Loans"), allocated among the Tranche D Term Loan Lenders as set forth in Schedule 1.03(a) (subject to adjustment for assignments under Article XII).

(b) The Tranche D Term Loans shall, if requested by a Tranche D Term Loan Lender, be evidenced by the Borrower's promissory notes, substantially in the form attached hereto as Schedule 1.04A (together with any additional such promissory notes issued to any assignee(s) of the Tranche D Term Loans under Article XII or otherwise issued in substitution therefor or replacement thereof, the "Tranche D Term Notes", and, together with the Initial Term Notes and the Incremental Term Notes, the "Notes").

(c) The Borrower will pay to the Agent, for the ratable account of each Tranche D Term Loan Lender, the principal under the Tranche D Term Notes, without setoff, deduction or counterclaim, in eleven (11) installments, payable on each Quarterly Date in each year, commencing December 31, 2003, with a final installment payable on July 31, 2006, when all amounts outstanding under the Tranche D Term Notes, including all outstanding principal and accrued interest, fees, expenses and other charges in respect thereof shall be due and payable in full. Each such payment shall be in the respective percentage of the original aggregate Tranche D Term Loans set forth in the following table:

Payment Dates	Aggregate Percentage of Principal Payable
December 31, 2003 through June 30, 2006	.25%
July 31, 2006	Unpaid Balance

**Section 1.05. Interest on the Notes.**

(a) Interest Rate.

(i) Initial Term Notes and Incremental Term Notes. Subject to the terms and conditions set forth in this Section 1.05, the Borrower may elect an interest rate for the outstanding principal balances from time to time of the Initial Term Notes and the

Incremental Term Notes, or any portion thereof, based in each case on either the Base Rate or the applicable LIBOR Rate and determined as of any date, as follows:

(A) the rate for any Base Rate Loan shall be the Base Rate plus the Applicable Margin for Base Rate Loans then in effect; and

(B) the rate for any LIBOR Loan shall be the applicable LIBOR Rate plus the Applicable Margin for LIBOR Loans in effect on the first day of the applicable LIBOR Period.

(ii) Tranche D Term Notes. Subject to the terms and conditions set forth in this Section 1.05, the Borrower may elect an interest rate for the outstanding principal balances from time to time of the Tranche D Term Notes equal to either (A) 7.00% plus the greater of (1) the LIBOR Rate and (2) 2.0% or (B) the Base Rate plus 6.00%; provided, however, all Tranche D Term Loans made on the Fourth Amendment Effective Date shall be made as Base Rate Loans.

(b) [Intentionally Omitted].

(c) Determination of Applicable Margin for Initial Term Loans and Incremental Term Loans. The Applicable Margin for both Initial Term Loans and Incremental Term Loans shall be 2.50%, with respect to Base Rate Loans, and 3.50%, with respect to LIBOR Loans.

(d) Computations. Interest on Base Rate Loans shall be computed on the basis of the actual number of days elapsed over a 365 or 366-day year, as applicable (unless such interest is based upon the Federal Funds Rate, in which case interest shall be computed on the basis of the actual number of days elapsed over a 360-day year). Interest on LIBOR Loans shall be computed on the basis of the actual number of days elapsed over a 360-day year.

(e) Interest Payment Dates. Interest on the Loans shall be payable in arrears, without setoff, deduction or counterclaim, as follows:

(i) Interest on each Base Rate Loan shall be due and payable on the Quarterly Dates, commencing March 31, 2000 and at maturity, whether by reason of acceleration, prepayment, payment or otherwise, provided that interest accrued on any Base Rate Loan which is converted to a LIBOR Loan shall be paid on the Quarterly Date following the date of such conversion (or, if accrued on a Base Rate Loan which is so converted on a Quarterly Date, on such Quarterly Date). The interest rate on Base Rate Loans shall change on the date of any change in the applicable Base Rate without any prior notice thereof being provided to the Borrower.

(ii) Interest on each LIBOR Loan shall be due and payable on the last day of the LIBOR Period applicable to such Loan and, if such LIBOR Period exceeds three (3) months, every three (3) months after the beginning thereof, until and at maturity, whether by reason of acceleration, prepayment, payment or otherwise.

(f) Effect of Defaults, Etc.

(i) During the existence of any Event of Default, the outstanding principal under the Notes and, to the extent permitted by applicable law, overdue interest, fees or other amounts payable hereunder or under the other Loan Documents shall bear interest, from and including the date such Event of Default occurred until such Event of Default is waived in writing as provided herein, at a rate per annum (computed on the basis of the actual number of days elapsed over a 360-day year) equal to two percent (2.00%) above (1) the interest rate or rates then applicable to Base Rate Loans and overdue interest, fees and other expenses or (2) with respect to any LIBOR Loans then in effect (and only until the end of the LIBOR Period applicable to such LIBOR Loans) the interest rate or rates then applicable to such LIBOR Loans.

(ii) Nothing in this Section 1.05(f) shall affect the rights of the Agent or the Lenders to exercise any rights or remedies under the Loan Documents or applicable law arising upon the occurrence of an Event of Default.

**Section 1.06. Type of Loan.**

(a) Conversion to a Different Type of Loan. The Borrower may elect from time to time to convert any outstanding Loans to Base Rate Loans or LIBOR Loans, as the case may be, provided that (i) with respect to any such conversion of LIBOR Loans to Base Rate Loans, the Borrower shall provide the appropriate Interest Rate Option Notice by 11:00 A.M. (New York time) on the date of such proposed conversion; (ii) with respect to any such conversion of Base Rate Loans to LIBOR Loans, the Borrower shall provide the appropriate Interest Rate Option Notice by 11:00 A.M. (New York time ) at least three Business Days' prior to the date of such proposed conversion; (iii) with respect to any such conversion of LIBOR Loans into Base Rate Loans, such conversion shall only be made on the last day of the related LIBOR Period; (iv) no Loans may be converted into LIBOR Loans when any Default has occurred and is continuing, unless the Required Lenders shall consent to such conversion; (v) the Borrower may have no more than six (6) LIBOR Loans outstanding at any time; (vi) any conversion of less than all of the outstanding Base Rate Loans into LIBOR Loans shall be in a minimum aggregate principal amount of \$1,000,000 and, if greater, an integral multiple of \$100,000; (vii) any conversion of less than all of the outstanding LIBOR Loans into Base Rate Loans shall be in a minimum aggregate principal amount of \$1,000,000 and, if greater, an integral multiple of \$100,000, and (viii) notwithstanding the immediately preceding clause (ii) hereof, the Borrower may not convert to LIBOR Loans any Tranche D Term Loans made as Base Rate Loans on the Fourth Amendment Effective Date until the date that is ten (10) Business Days after the Fourth Amendment Effective Date. The Agent shall promptly notify the Lenders of such Interest Rate Option Notice and the information contained therein.

(b) Continuance of an Interest Rate Option. The Borrower may continue any LIBOR Loans as such upon the expiration of the related LIBOR Period by providing to the Agent an Interest Rate Option Notice in compliance with the notice provisions set forth in Section 1.06(a); provided that no LIBOR Loans may be continued when any Default has occurred and is continuing, but shall be automatically converted to Base Rate Loans on the last day of the first

applicable LIBOR Period which ends during the continuance of such Default. Base Rate Loans shall be deemed to continue as such until receipt of an Interest Rate Option Notice requesting conversion thereof to LIBOR Loans.

(c) Form of Notice. Each Interest Rate Option Notice shall be substantially in the form of Schedule 1.06(c) and shall specify: (i) the aggregate principal amount of Loans to be continued or converted, and whether such Loans are Initial Term Loans, Incremental Term Loans or Tranche D Term Loans; (ii) the proposed date thereof; (iii) the LIBOR Period for such LIBOR Loans; and (iv) whether such Loans shall be LIBOR Loans or Base Rate Loans.

#### **Section 1.07. Loan Disbursements.**

The Loans shall be made by the applicable Lenders pro rata as provided in Section 1.17. Not later than 12:00 noon (New York time), in the case of LIBOR Loans, or 2:00 P.M. (New York time), in the case of Base Rate Loans, on the Credit Extension Date for any Loans, each applicable Lender shall make available to the Agent the portion of the Loans to be made by it on such date, in immediately available funds, for the account of the Borrower; provided, however, with respect to the Tranche D Term Loans made on the Fourth Amendment Effective Date, on such date Bank of America, N.A., in its capacity as the initial Tranche D Term Loan Lender, shall (i) make available to the Resigning Agent, in its capacity as Agent, for the account of the Borrower, a portion of the proceeds of the Tranche D Term Loan in an aggregate amount of \$287,830,333.77 in immediately available funds, which funds shall be applied by the Resigning Agent in accordance with the terms of Section 1.09A hereof, and (ii) make available to the Successor Agent, in its capacity as Agent after giving effect to the transfer of agency pursuant to the Resignation and Assignment Agreement, the remaining amount of the Tranche D Term Loans to be made by it on such date, in immediately available funds, for the account of the Borrower.

#### **Section 1.08. Voluntary Prepayments.**

(a) [Intentionally Omitted].

(b) Voluntary Prepayments of Initial Term Loans and Incremental Term Loans. The Borrower may at any time and from time to time prepay the Initial Term Loans and Incremental Term Loans, in whole or in part, without premium or penalty, upon written notice to the Agent in the form of Schedule 1.08(b) (each, a "Prepayment Notice") at least three (3) Business Days prior thereto, provided as follows:

(i) any such reduction shall apply to each Lender's Initial Term Note or Incremental Term Note, if any, pro rata as provided in Section 1.17;

(ii) simultaneously with each such prepayment, the Borrower shall pay any indemnification payments due in accordance with Section 1.14 in respect of LIBOR Loans so prepaid; and

(iii) any such prepayment shall be an aggregate amount of not less than \$1,000,000 or, if greater, an integral multiple of \$250,000, in the case of LIBOR Loans

so prepaid, or \$250,000 or, if greater, integral multiples thereof, with respect to Base Rate Loans so prepaid.

Each Prepayment Notice delivered pursuant to this Section 1.08(b) shall specify the date fixed for such prepayment and the aggregate principal amount thereof whether, if applicable, the prepayment is of LIBOR Loans or Base Rate Loans. Upon receipt of any such Prepayment Notice, the Agent shall promptly notify each affected Lender thereof.

(c) Voluntary Prepayment of Tranche D Term Loans. Notwithstanding anything to the contrary in this Agreement, the Borrower shall not be permitted to prepay the Tranche D Term Loans voluntarily until all amounts payable in respect of the Initial Term Loans and Incremental Term Loans shall have been paid in full. Thereafter, the Borrower may at any time and from time to time prepay the Tranche D Term Loans, in whole or in part, at the Fixed Early Prepayment Amount, plus accrued and unpaid interest thereon, upon delivery of a Prepayment Notice to the Agent at least three (3) Business Days prior thereto, provided as follows:

(i) simultaneously with each such prepayment, the Borrower shall pay any indemnification payments due in accordance with Section 1.14 in respect of LIBOR Loans so prepaid; and

(ii) any such prepayment shall be an aggregate amount of not less than \$1,000,000 or, if greater, an integral multiple of \$250,000 thereof.

Each Prepayment Notice delivered pursuant to this Section 1.08(c) shall specify the date fixed for such prepayment, the aggregate principal amount thereof and whether the prepayment is of LIBOR Loans or Base Rate Loans. Upon receipt of any such Prepayment Notice, the Agent shall promptly notify each affected Lender thereof.

(d) Application of Prepayments. (i) Voluntary prepayments of Initial Term Loans and Incremental Term Loans pursuant to Section 1.08(b) hereof shall be applied pro rata to the Initial Term Loans and the Incremental Term Loans and to the respective installments thereof in the order in which such installments are scheduled to be paid, and (ii) voluntary prepayments of Tranche D Term Loans pursuant to Section 1.08(c) hereof shall be applied to the respective installments thereof pro rata based upon the then remaining outstanding principal amount such installments. Voluntary prepayments of Term Loans may not be reborrowed. Notwithstanding the foregoing, during the existence of any Default, voluntary prepayments of the Loans shall be applied as determined by the Required Lenders, in their sole discretion.

#### **Section 1.09. Mandatory Prepayments.**

Subject in each case to the provisions of Section 1.09(j) hereof with respect to the Tranche D Term Loans:

(a) Casualty Events. Subject to the provisions of Section 6.02, within one hundred eighty (180) days following the receipt by the Borrower or any of the Subsidiaries of any Insurance Proceeds in respect of any Casualty Event (or upon such earlier date as the Borrower



or any Subsidiary shall have determined not to restore, repair or replace the asset or property affected by such Casualty Event), which Insurance Proceeds, together with all other such Insurance Proceeds theretofore received in respect of Casualty Events and not so applied, exceed \$1,000,000 in the aggregate, (i) the Notes shall be prepaid in an aggregate amount, if any, equal to the aggregate amount of such proceeds not theretofore applied to the repair or replacement of such asset or property under Section 6.02(b), as provided in Section 1.09(e). Nothing in this Section 1.09(a) shall be deemed (i) to limit any obligation of the Companies pursuant to the Security Agreements to remit to the Collateral Account the Insurance Proceeds received in respect of any Casualty Event, or (ii) to obligate the Agent to release any of such proceeds from the Collateral Account to the Borrower or any Subsidiary during the existence of any Default. In connection with any such prepayment, the Borrower shall deliver to the Agent a notice of such prepayment together with a certificate of an Authorized Officer, on behalf of the Borrower, setting forth in reasonable detail the calculation of the estimated Insurance Proceeds from the related Casualty Event that will be applied pursuant hereto. The Borrower will endeavor to provide such notice and certificate to the Agent at least two (2) Business Days prior to such prepayment.

(b) Excess Cash Flow. On or before May 1 of each year, commencing May 1, 2002, the Borrower shall prepay the Notes in an aggregate amount equal to Excess Cash Flow for the immediately preceding fiscal year, as provided in Section 1.09(e). Until the Discharge of Parent Term Debt, in the event that Excess L/C Cash Collateral shall exceed \$1,000,000 at any time, or in the event that the amount described in clause (b)(i) of the definition of "Excess L/C Cash Collateral" shall be \$0, the Borrower shall immediately repay the Notes in an aggregate amount equal to the amount of such Excess L/C Cash Collateral, as provided in Section 1.09(e). The Borrower shall give written notice of each such reduction within three Business Days after the date on which an Authorized Officer of the Parent or any of the Companies first obtains knowledge of such reduction.

(c) Debt Issuances. Without limiting the obligation of the Borrower to obtain any required consent thereto of the Required Lenders or the Agent under Section 7.01, upon any issuance of additional debt securities of the Borrower not permitted under such Section, the Borrower shall prepay the Notes in an aggregate amount equal to the net cash proceeds thereof, as provided in Section 1.09(e). In connection with any such prepayment, the Borrower shall deliver to the Agent a notice of such prepayment together with a certificate of an Authorized Officer, on behalf of the Borrower, setting forth in reasonable detail the calculation of the estimated net cash proceeds from the related debt issuance. The Borrower will endeavor to provide such notice and certificate to the Agent at least two (2) Business Days prior to such prepayment.

(d) Dispositions of Assets.

(i) Prepayment of the Notes. Without limiting the obligation of the Borrower under Section 7.03 to obtain the consent of the Required Lenders to any Disposition not otherwise permitted hereunder, the Borrower agrees (A) two (2) Business Days prior to the occurrence of any Disposition to deliver to the Agent (in sufficient copies for each Lender) a statement, certified by an Authorized Officer of the Borrower and in reasonable detail, of the estimated amount of the Net Cash Proceeds of such Disposition and (B) that

in the event such Disposition is completed, the Notes shall be prepaid as follows and as provided in Section 1.09(e):

(1) on the date of such Disposition, in an aggregate amount equal to 100% of the Net Cash Proceeds of such Disposition received by the Borrower or any of the Subsidiaries on the date of such Disposition; and

(2) thereafter, quarterly, on the date of the delivery to the Agent pursuant to Section 6.05 hereof of the financial statements for each fiscal quarter or (if earlier) the date which is forty-five (45) days after the end of such fiscal quarter, to the extent the Borrower or any Subsidiary shall receive Net Cash Proceeds during such fiscal quarter under deferred payment arrangements or investments entered into or received in connection with any Disposition, an amount equal to 100% of the aggregate amount of such Net Cash Proceeds, provided that if, prior to the date upon which the Borrower would otherwise be required to make a prepayment under this paragraph (2) with respect to any fiscal quarter, all such Net Cash Proceeds received in cash shall aggregate an amount that will require a prepayment of \$250,000 or more under this paragraph (2) with respect to such fiscal quarter, then the Borrower shall immediately make a prepayment under this paragraph (2) in an amount equal to such required prepayment.

(ii) [Intentionally Omitted.]

(e) Application of Reductions and Prepayments; Cash Collateral, Etc.

(i) Subject to Section 1.09(d)(ii) and 1.09(e)(iv), upon the occurrence of any of the events described in the above paragraphs of this Section 1.09, the amount required to be applied to the Commitments and to prepayment of the Notes shall be allocated as follows:

(A) First, pro rata to scheduled reductions of the Commitments, scheduled prepayments of the Initial Term Loans and scheduled payments of the Incremental Term Loans, in each case in inverse order of maturity, until the aggregate Commitments shall have been reduced to \$150,000,000; and

(B) Thereafter, to prepayments of Term Loans, allocated proportionately between the Initial Term Loans and the Incremental Term Loans, until all principal thereunder has been paid in full, and then to further reductions in the Commitments, in each case in the inverse order of maturity.

(ii) Simultaneously with any termination of the Commitments or any mandatory automatic reduction of the Commitments under Section 1.01(e) or this Section 1.09, the Borrower shall (A) pay to the Agent, for the ratable account of each Lender, any then accrued unpaid Commitment Fee on the reduced portion of the Commitments, (B) repay such amount of the aggregate principal amount of the

Revolving Notes as shall cause the Aggregate Exposure to be less than or equal to the aggregate Commitments, after giving effect to such termination or reduction and (C) pay any indemnification payments due in accordance with Section 1.14 in respect of LIBOR Loans so prepaid.

(iii) If and to the extent that the repayment in full of all outstanding Loans is insufficient to cause the Aggregate Exposure to be less than or equal to the aggregate Commitments, the Borrower shall, without notice or demand, immediately make payment to the Agent, for deposit in the Collateral Account, as cover for the Letter of Credit Exposure, as described in Section 1.02(g).

(iv) All voluntary and mandatory prepayments of the Notes under this Section 1.09 (A) shall be made without set-off, deduction or counterclaim and (B) shall be applied first, to overdue interest, fees and expenses hereunder, second, to pay principal of the Notes as provided above, and third, to the extent of any excess remaining after application as provided above, to pay any outstanding Reimbursement Obligations and, thereafter, to cash collateralize the Letter of Credit Exposure as provided in Section 1.02(g), provided, in each case, that (1) payments of principal of the Notes shall be applied to the Lenders' respective Notes pro rata as provided in Section 1.17, unless otherwise agreed to by the Lenders and (2) applications of prepayments to principal shall be made first to Base Rate Loans and then to LIBOR Loans. Notwithstanding the foregoing, during the existence of any Default mandatory prepayments of the Notes shall be applied as provided in Section 1.17.

(f) [Intentionally Omitted].

(g) Application of DBS Rights Litigation Proceeds. On each date on which the Borrower or any of its Affiliates receives any DBS Rights Litigation Proceeds,

(i) an aggregate amount of DBS Rights Litigation Proceeds equal to the amount of out-of-pocket legal fees and expenses incurred by the Borrower and its Affiliates on or prior to such date in connection with the DBS Rights Litigation (the "DBS Rights Litigation Expenses"), may be retained by the Borrower and its Subsidiaries (other than the Finance Subsidiaries, the Special Purpose Subsidiary, and the Letter-of-Credit Subsidiary) and used for general corporate purposes;

(ii) the Borrower shall immediately repay the Term Loans in an aggregate amount equal to the least of the amounts described in the following clauses (x), (y) and (z):

(x) the excess of

(I) the aggregate amount of DBS Rights Litigation Proceeds received by the Borrower and its Affiliates on or prior to such date over

(II) the sum of (A) the aggregate amount of DBS Rights Litigation Expenses and (B) the aggregate amount of all repayments made prior to such date under this Section 1.09(g)(ii),

(y) the excess of

(I) 50% of the excess of (A) the aggregate amount of Net DBS Rights Litigation Proceeds received by the Borrower and its Affiliates on or prior to such date over (B) the aggregate amount of DBS Rights Litigation Expenses paid after April 2, 2003, over

(II) the aggregate amount of all repayments made prior to such date under this Section 1.09(g)(ii), and

(z) the excess of

(I) \$50,000,000 over

(II) the aggregate amount of all repayments made prior to such date under this Section 1.09(g)(ii); and

(iii) any portion of the DBS Rights Litigation Proceeds that remains after giving effect to the application of clauses (i) and (ii) above shall be retained by the Borrower and its Subsidiaries and used (A) until the Discharge of Parent Term Debt shall have occurred, by the Companies for Permitted Acquisitions or the acquisition, within 180 days of the receipt of such DBS Rights Litigation Proceeds (or, if one or more definitive agreements with respect to Permitted Acquisitions are entered into within such 180 day period, within 360 days following the receipt of such DBS Rights Litigation Proceeds), of tangible assets or the payment of other capitalized costs used or useful in the DBS Business or broadcast business of any Company and (B) after the Discharge of Parent Term Debt, for general corporate purposes.

In connection with any such prepayment, the Borrower shall deliver to the Agent a notice of such prepayment together with a certificate of an Authorized Officer, on behalf of the Borrower, setting forth in reasonable detail the calculation of the estimated prepayment amount. The Borrower will endeavor to provide such notice and certificate to the Agent at least two (2) Business Days prior to such prepayment. Notwithstanding clause (ii) above, in the event that the Borrower or any of its Affiliates receives DBS Rights Litigation Proceeds in excess of the aggregate amount of DBS Rights Litigation Expenses at a time when a judgment shall not have been rendered or a settlement reached with respect to the Seamless Litigation, the Borrower may, at its election, deposit up to 10% of such excess DBS Rights Litigation Proceeds in a restricted collateral account of the Borrower (in which account the Agent shall have a first priority security interest) in lieu of making any