

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 1

TO
FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

CROWN CASTLE INTERNATIONAL CORP.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE (STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	4899 (PRIMARY STANDARD INDUSTRIAL CLASSIFICATION NUMBER)	76-0470458 (I.R.S. EMPLOYER IDENTIFICATION NUMBER)
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510 BERING DRIVE
SUITE 500
HOUSTON, TEXAS 77057
(713) 570-3000
(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF
REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

MR. CHARLES C. GREEN, III
EXECUTIVE VICE PRESIDENT
AND CHIEF FINANCIAL OFFICER
CROWN CASTLE INTERNATIONAL CORP.

510 BERING DRIVE
SUITE 500
HOUSTON, TEXAS 77057
(713) 570-3000
(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE,
OF AGENT FOR SERVICE)

COPIES TO:

STEPHEN L. BURNS, ESQ. CRAVATH, SWAINE & MOORE 825 EIGHTH AVENUE NEW YORK, NEW YORK 10019	KIRK A. DAVENPORT, ESQ. LATHAM & WATKINS 885 THIRD AVENUE NEW YORK, NEW YORK 10022
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APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If the delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933, OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

PART II

INFORMATION NOT REQUIRED IN THE PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

Set forth below is a table of the registration fee for the Securities and Exchange Commission, the filing fee for the National Association of Securities Dealers, Inc., the listing fee for the New York Stock Exchange and estimates of all other expenses to be incurred in connection with the issuance and distribution of the securities described in the Registration Statement, other than underwriting discounts and commissions:

SEC registration fee.....	\$88,500
NASD filing fee.....	30,500
NYSE listing fee.....	*
Printing and engraving expenses.....	*
Legal fees and expenses.....	*
Accounting fees and expenses.....	*
Transfer agent and registrar fees.....	*
Miscellaneous.....	*

Total.....	\$
	=====

* To be completed by amendment.

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 145 of the General Corporation Law of the State of Delaware ("DGCL") provides that a corporation has the power to indemnify any director or officer, or former director or officer, who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) against the expenses (including attorney's fees), judgments, fines or amounts paid in settlement actually and reasonably incurred by them in connection with the defense of any action by reason of being or having been directors or officers, if such person shall have acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, provided that such person had no reasonable cause to believe his conduct was unlawful, except that, if such action shall be in the right of the corporation, no such indemnification shall be provided as to any claim, issue or matter as to which such person shall have been judged to have been liable to the corporation unless and to the extent that the Court of Chancery of the State of Delaware (the "Court of Chancery"), or any court in such suit or action was brought, shall determine upon application that, in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnify for such expenses as such court shall deem proper.

Accordingly, the Certificate of Incorporation and the amendments thereto dated July 2, 1996, February 19, 1997, June 16, 1997, and October 31, 1997 of the Company (filed herewith as Exhibits 3.1 through 3.5) provide that the Company shall, to the maximum extent permitted from time to time under the DGCL indemnify and upon request shall advance expenses to any person who is or was a party or is threatened to be made a party to any threatened, pending or completed action, suit, proceeding or claim, whether civil, criminal, administrative or investigative, by reason or the fact that he is or was or has agreed to be a director, officer of the Company or while a director or officer is or was serving at the request of the Company as a director, officer, partner, trustee, employee or agent of any corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefits plans, against any and all expenses (including attorney's fees and expenses), judgments, fines, penalties and amounts paid in settlement or incurred in connection with the investigation, preparation to defend or defense of such action, suit, proceeding or claim; provided, however, that the foregoing shall not require the Company to indemnify or advance expenses to any person in connection with any action, suit, proceeding, claim or counterclaim initiated by or on behalf of such person. Such indemnification shall not

be exclusive of other indemnification rights arising under any by-law, agreement, vote of directors or stockholders or otherwise and shall inure to the benefit of the heirs and legal representatives of such person.

Furthermore, a director of the Company shall not be liable to the Company or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent that such exemption from liability or limitation thereof is not permitted under the DGCL as currently in effect or as the same may hereafter be amended.

The Company's By-laws provide that the Company shall indemnify any person who was or is party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Company) by reason of the fact that he is or was a director, officer, employee or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

The Company's By-laws further provide that the Company shall similarly indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Company unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnify for such expenses which the Court of Chancery or such other court shall deem proper.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES

In each of the sales described below, unless otherwise indicated, the Company (or the relevant predecessor) relied on Section 4(2) of the Securities Act of 1933 for exemption from registration. No brokers or underwriters were used in connection with any of such sales. The recipients of securities in each such transaction represented their intention to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof and appropriate legends were affixed to the share certificates, warrants and notes issued in such transactions. All recipients had adequate access, through their relationship with the Company, to information about the Company.

Through May 31, 1998, the Company had raised approximately \$367.0 million through private sales of debt and equity securities in a series of private placements with various institutional and other accredited investors and certain employees of the Company as described below.

CTC Investment. On January 11, 1995, CTC, a predecessor to CCIC, sold (i) to Ted B. Miller, Jr. and Edward C. Hutcheson, Jr. (collectively, the "Initial Stockholders") 270,000 shares of Class A Common Stock, par value \$.01 per share, of CTC for \$270,000 and (ii) to Centennial Fund IV, Berkshire Fund III, A Limited Partnership (via Berkshire Fund III Investment Corp.) and certain trusts and natural persons that are now members of Berkshire Investors LLC (collectively, the "Berkshire Fund III Group") and J. Landis Martin (collectively, the "CTC Purchasers"), (A) 270,000 shares Class B Common Stock, par value \$.01 per share, of CTC for \$270,000, (B) 730,380 shares of Series A Convertible Preferred Stock, par value \$.01 per share, of CTC for \$4,382,280 and (C) \$3,867,720 principal amount of Convertible Secured Subordinated Notes of CTC (the "CTC Notes") for \$3,867,720. As of February 1997, all the CTC Notes had been converted into 644,620 shares of Series A Convertible Preferred Stock of the Company. The proceeds received on January 11, 1995 were used by CTC for the acquisition of towers and ancillary assets from PCI and for working capital.

Pursuant to a Securities Exchange Agreement (the "Securities Exchange Agreement"), dated as of April 27, 1995, among the Company, CTC, the Initial Stockholders and the CTC Purchasers, such parties effectively made CCIC the holding company of CTC and converted some of the obligations of CTC into capital stock of CCIC. Transactions pursuant to the Securities Exchange Agreement included (i) Centennial Fund IV transferring 208,334 shares of CTC Series A Convertible Preferred Stock to Berkshire Fund III Group in exchange for \$1,250,004 principal amount of CTC Notes, (ii) Berkshire Fund III Group and J. Landis Martin converting all remaining CTC Notes held by them (\$742,452 principal amount) into 123,742 shares of CTC Series A Convertible Preferred Stock, (iii) all the outstanding shares of capital stock of CTC being exchanged for similar stock of CCIC and (iv) the remaining CTC Notes (\$3,125,268 principal amount) becoming convertible into shares of Series A Convertible Preferred Stock (all of which CTC Notes were subsequently converted in February 1997).

As a result of the exchange of CTC capital stock for CCIC capital stock, each Initial Stockholder received 135,000 shares of existing Class A Common Stock, Centennial Fund IV received 216,000 shares of Class B Common Stock and 145,789 shares of Series A Preferred Stock, Mr. Martin received 41,666 shares of Series A Preferred Stock and Berkshire Fund III Group received 54,000 shares of Class B Common Stock and 666,667 shares of Series A Preferred Stock. In July 21, 1995, Robert F. McKenzie became a party by amendment to the Securities Exchange Agreement and received 8,333 shares of Series A Preferred Stock.

1996 Investors Investment. Pursuant to a Securities Purchase Agreement, dated as of July 15, 1996, among the Company, Berkshire Fund III Group, Centennial Fund IV, J. Landis Martin, Edward C. Hutcheson, Jr. and Robert F. McKenzie, the Company privately placed 864,568 shares of its Series B Convertible Preferred Stock, par value \$.01 per share ("Series B Convertible Preferred Stock"), for an aggregate purchase price of \$10,374,816. Berkshire Fund III Group paid \$6,000,000 for 500,000 shares, Centennial Fund IV paid \$3,724,812 for 310,401 shares, Mr. Martin paid \$500,004 for 41,667 shares, Mr. Hutcheson paid \$99,996 for 8,333 shares and Mr. McKenzie paid \$50,004 for 4,167 shares. The proceeds received on July 15, 1996 were used for (i) the purchase of the towers and microwave and SMR businesses from Motorola in Puerto Rico, (ii) an option payment relating to the acquisition of TEA and TeleStructures and (iii) working capital.

Berkshire Fund IV Investment. Pursuant to a Securities Purchase Agreement, dated as of February 14, 1997, among the Company, Centennial Fund V and Centennial Entrepreneurs Fund V, L.P. (collectively, the "Centennial Fund V Investors" and, together with Centennial Fund IV, the "Centennial Group"), Berkshire Fund IV, Limited Partnership (via Berkshire Fund IV Investment Corp.), and certain trusts and natural persons which are members of Berkshire Investors LLC (collectively, the "Berkshire Fund IV Group" and, together with Berkshire Fund III Group, the "Berkshire Partners Group"), PNC Venture Corp., Nassau Capital Partners II L.P. ("Nassau Capital"), NAS Partners I L.L.C. ("NAS Partners" and, together with Nassau Capital, the "Nassau Group"), Fay, Richwhite Communications Limited ("Fay Richwhite"), J. Landis Martin and Robert F. McKenzie, the Company privately placed 3,529,832 shares of its Series C Convertible Preferred Stock, par value \$.01 per share ("Series C Convertible Preferred Stock"), for an aggregate purchase price of \$74,126,472. Centennial Fund V Investors paid \$15,464,001 for 736,381 shares, Berkshire Fund IV Group paid \$21,809,991 for 1,038,571 shares, PNC Venture Corp. paid \$6,300,000 for 300,000 shares, Nassau Group paid an aggregate of \$19,499,991 for 928,571 shares, Fay Richwhite paid \$9,999,990 for 476,190 shares, Mr. Martin paid \$999,999 for 47,619 shares and Mr. McKenzie paid \$52,500 for 2,500 shares. The proceeds received on February 14, 1997 were used by the Company to fund a portion of its investment in CTI.

Hutcheson Investment. In March 1997, Edward C. Hutcheson, Jr. exercised stock options for 69,000 shares of Class B Common Stock. The Company repurchased these shares and 61,687 shares of his existing Class A Common Stock for \$3,422,118.

TEA Investment. In May 1997, in connection with the Company's acquisition of the stock of TeleStructures, TEA and TeleShare, Inc. (the "TEA Companies"), the Company issued 107,142 shares of Class B Common Stock to the shareholders of the TEA Companies: 48,214 shares to Bruce W. Neurohr, 48,214 shares to Charles H. Jones and 10,714 shares to Terrel W. Pugh.

Crown Investment. In August 1997, Robert A. Crown and Barbara Crown sold the assets of Crown Communications to, and merged CNSI and CMSI with, subsidiaries of the Company. As partial consideration for these transactions, the Crowns received 1,465,000 shares of Class B Common Stock. Robert A. Crown and Barbara Crown are both parties to the Stockholders Agreement and are subject to its restrictions.

AHA Investment. Pursuant to a Securities Purchase Agreement, dated as of August 13, 1997, among the Company, American Home Assurance Company ("AHA"), New York Life Insurance Company ("New York Life"), The Northwestern Mutual Life Insurance Company ("Northwestern Mutual"), PNC Venture Corp., J. Landis Martin and affiliates of AHA, the Company privately placed of 292,995 shares of its Senior Convertible Preferred Stock for an aggregate purchase price of \$29,299,500, together with warrants to purchase 117,198 shares of Class B Common Stock at \$37.54 per share (subject to adjustment, including weighted average antidilution adjustments). AHA and its affiliates paid \$15,099,500 for 150,995 shares and warrants to purchase 60,338 shares of Class B Common Stock. New York Life and Northwestern Mutual each paid \$6,000,000 for 60,000 shares and warrants to purchase 24,000 shares of Class B Common Stock. PNC Venture Corp. paid \$2,000,000 for 20,000 shares and warrants to purchase 8,000 shares of Class B Common Stock. Mr. Martin paid \$200,000 for 2,000 shares and warrants to purchase 800 shares of Class B Common Stock. The proceeds received on August 13, 1997 were used by the Company to fund a portion of the Crown Merger and working capital.

Harvard Investment. Pursuant to a Securities Purchase Agreement, dated as of October 31, 1997, among the Company, Berkshire Partners Group, Centennial Fund V Investors, Nassau Group, Fay Richwhite, Harvard Private Capital Holdings, Inc. ("Harvard"), Prime VIII, L.P. ("Prime") and the prior purchasers of Senior Convertible Preferred Stock (other than affiliates of AHA), an additional 364,500 shares of Senior Convertible Preferred Stock were issued for an aggregate purchase price of \$36,450,000, together with warrants to purchase 145,800 shares of Class B Common Stock at \$37.54 per share (subject to adjustment, including weighted average antidilution adjustments). Berkshire Partners Group paid \$3,500,000 for 35,000 shares and warrants to purchase 14,000 shares of Class B Common Stock. Centennial V Investors paid \$1,000,000 for 10,000 shares and warrants to purchase 4,000 shares of Class B Common Stock. Nassau Group and Fay Richwhite each paid \$2,500,000 for 25,000 shares and warrants to purchase 10,000 shares of Class B Common Stock. Harvard paid \$14,950,000 for 149,500 shares and warrants to purchase 59,800 shares of Class B Common Stock. Prime paid \$5,000,000 for \$50,000 shares and warrants to purchase 20,000 shares of Class B Common Stock. AHA paid \$1,500,000 for 15,000 shares and warrants to purchase 6,000 shares of Class B Common Stock. New York Life paid \$300,000 for 3,000 shares and warrants to purchase 1,200 shares of Class B Common Stock. Northwestern Mutual paid \$4,000,000 for 40,000 shares and warrants to purchase 16,000 shares of Class B Common Stock. PNC Venture Corp. paid \$1,000,000 for 10,000 shares and warrants to purchase 4,000 shares of Class B Common Stock. J. Landis Martin paid \$200,000 for 2,000 shares and warrants to purchase 600 shares of Class B Common Stock.

Employee Purchases. On October 30, 1995, in connection with an employment agreement, an employee of the Company purchased 16,666 shares of Class B Common Stock from the Company at \$6.00 per share. On October 1, 1996, David L. Ivy purchased 10,000 shares of Class B Common Stock from the Company at \$12.00 per share. On February 3, 1997, John L. Gwyn purchased 500 shares of Class B Common Stock from the Company at \$21.00 per share. On June 12, 1997, an employee of the Company purchased 500 shares of Class B Common Stock from the Company at \$21.00 per share.

Option Exercises. On July 30, 1997, Robert F. McKenzie, a director of the Company, exercised options for 1,250 shares of Class B Common Stock at an exercise price of \$6.00 per share and on August 8, 1997, exercised options for 2,375 shares of Class B Common Stock at an exercise price of \$21.00 per share.

10 5/8% Senior Discount Notes due 2007. On November 20, 1997, the Company privately placed under Rule 144A and Regulation S of the Securities Act \$251.0 million principal amount at maturity (\$150,010,150 initial accreted value) of its 10 5/8% Senior Discount Notes due 2007, yielding net proceeds to the Company of approximately \$143.7 million after deducting discounts and estimated fees and expenses. Lehman Brothers Inc. and Credit Suisse First Boston Corporation were the initial purchasers of such securities.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Exhibits

EXHIBIT NO. -----	DESCRIPTION OF EXHIBIT -----
*1.1	--Form of Underwriting Agreement.
**2.1	--Asset Purchase and Merger Agreement among Crown Network Systems, Inc., Crown Mobile Systems, Inc., Robert A. Crown, Barbara Crown and Castle Acquisition Corp. I, Castle Acquisition Corp. II, Castle Tower Holding Corp. dated July 11, 1997.
**2.2	--First Amended and Restated Asset Purchase and Merger Agreement among Crown Network Systems, Inc., Crown Mobile Systems, Inc., Robert A. Crown, Barbara Crown and Castle Acquisition Corp. I, Castle Acquisition Corp. II, Castle Tower Holding Corp. dated July 11, 1997, as amended and restated on August 14, 1997.
**2.3	--Stock Purchase Agreement by and between Castle Tower Holding Corp., Bruce W. Neurohr, Charles H. Jones, Ronald J. Minnich, Ferdinand G. Neurohr and Terrel W. Pugh dated May 12, 1997 ("TEA Stock Purchase Agreement").
*2.4	--Share Exchange Agreement among Castle Transmission Services (Holdings) Ltd., Crown Castle International Corp., TeleDiffusion de France International S.A., Digital Future Investments B.V. and certain shareholders of Castle Transmission Services (Holdings) Ltd. dated as of April 24, 1998.
**3.1	--Certificate of Incorporation of Castle Tower Holding Corp. dated April 26, 1995.
**3.2	--Certificate of Amendment of Certificate of Incorporation of Castle Tower Holding Corp. dated July 2, 1996.
**3.3	--Certificate of Amendment of Certificate of Incorporation of Castle Tower Holding Corp. dated February 19, 1997.
**3.4	--Certificate of Amendment of Certificate of Incorporation of Castle Tower Holding Corp. dated June 16, 1997.
**3.5	--Certificate of Amendment of Certificate of Incorporation of Castle Tower Holding Corp. dated October 31, 1997.
**3.6	--Amended and Restated Bylaws of Castle Tower Holding Corp. dated February 24, 1997.
*3.7	--Form of Restated Certificate of Incorporation of Crown Castle International Corp.
*3.8	--Form of Amended and Restated Bylaws of Crown Castle International Corp.
**4.1	--Indenture between Crown Castle International Corp. and United States Trust Company of New York, as trustee (including exhibits).
**4.2	--Amended and Restated Stockholders Agreement among Castle Tower Holding Corp., Edward C. Hutcheson, Jr., Ted B. Miller, Jr., Robert A. Crown and Barbara Crown and the persons listed on Schedule I thereto dated August 15, 1997.
*4.3	--Article Fourth of Certificate of Incorporation of Castle Tower Holding Corp. (included in Exhibits 3.1 through 3.5).
**4.4	--Trust Deed related to (Pounds)125,000,000 9 per cent. Guaranteed Bonds due 2007 among Castle Transmission (Finance) PLC, as Issuer, Castle Transmission International Ltd and Castle Transmission Services (Holdings) Ltd., as Guarantors, and The Law Debenture Trust Corporation p.l.c., as Trustee, dated May 21, 1997.
**4.5	--First Supplemental Trust Deed related to (Pounds)125,000,000 9 per cent. Guaranteed Bonds due 2007 among Castle Transmission (Finance) PLC, as Issuer, Castle Transmission International Ltd and Castle Transmission Services (Holdings) Ltd, as Guarantors and The Law Debenture Trust Corporation p.l.c., as Trustee, dated October 17, 1997.

EXHIBIT
NO.

DESCRIPTION OF EXHIBIT

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- *4.6 --Specimen Certificate of Common Stock.
 - *5. --Opinion of Cravath, Swaine & Moore with respect to the legality of the Common Stock.
 - **10.1 --Registration Rights Agreement by and among Crown Castle International Corp. and Lehman Brothers Inc. and Credit Suisse First Boston Corporation dated as of November 25, 1997.
 - **10.2 --Loan Agreement by and among Castle Tower Corporation, KeyBank National Association (formerly known as "Society National Bank") and certain lenders dated April 26, 1995 ("KeyBank Loan Agreement").
 - **10.3 --First Amendment to KeyBank Loan Agreement dated June 26, 1996.
 - **10.4 --Second Amendment to KeyBank Loan Agreement dated January 17, 1997.
 - **10.5 --Third Amendment to KeyBank Loan Agreement dated April 3, 1997.
 - **10.6 --Fourth Amendment to KeyBank Loan Agreement dated October 31, 1997.
 - **10.7 --Fifth Amendment to KeyBank Loan Agreement dated November 24, 1997.
 - **10.8 --Amended and Restated Limited Holdco Guaranty by Crown Castle International Corp., in favor of KeyBank National Association, as Agent, dated November 25, 1997.
 - **10.9 --Memorandum of Understanding regarding Management and Governance of Castle Tower Holding Corp. and Crown Communications, Inc. dated August 15, 1997.
 - +**10.10 --Site Commitment Agreement between Nextel Communications, Inc. and Castle Tower Corporation dated July 11, 1997.
 - **10.11 --Independent Contractor Agreement by and between Crown Network Systems, Inc. and Sprint Spectrum L.P. dated July 8, 1996, including addendum dated November 12, 1997.
 - +**10.12 --Independent Contractor Agreement between Crown Network Systems, Inc. and Powerfone, Inc. d/b/a Nextel Communications dated September 30, 1996.
 - +**10.13 --Independent Contractor Agreement by and between APT Pittsburgh Limited Partnership and Crown Network Systems, Inc. dated December 3, 1996.
 - +**10.14 --Master Lease Agreement between Sprint Spectrum, L.P. and Robert Crown d/b/a/ Crown Communications dated June 11, 1996 ("Sprint Master Lease Agreement").
 - *10.15 --First Amendment to Sprint Master Lease Agreement, dated July 5, 1996 (included in Exhibit 10.14).
 - *10.16 --Second Amendment to Sprint Master Lease Agreement, dated January 27, 1997 (included in Exhibit 10.14).
 - +**10.17 --Master Lease Agreement between Powerfone, Inc. d/b/a/ Nextel Communications and Robert A. Crown d/b/a Crown Communications dated October 3, 1996.
 - +**10.18 --Master Lease Agreement between APT Pittsburgh Limited Partnership and Robert Crown d/b/a Crown Communications dated December 3, 1996.
 - +**10.19 --Master Tower Lease Agreement between Cellco Partnership d/b/a/ Bell Atlantic NYNEX Mobile, Pittsburgh SMSA, L.P. and Pennsylvania RSN No. 6 (II) and Robert A. Crown d/b/a/ Crown Communications dated December 29, 1995, as amended by a letter agreement dated as of October 28, 1997.
 - +**10.20 --Master Tower Lease Agreement between Cellco Partnership d/b/a/ Bell Atlantic NYNEX Mobile, Pittsburgh SMSA, L.P. and Pennsylvania RSN No. 6 (II) and Robert A. Crown d/b/a/ Crown Communications dated December 29, 1995, as amended by a letter agreement dated as of October 28, 1997.
 - **10.21 --Castle Tower Holding Corp. 1995 Stock Option Plan (Third Restatement).

EXHIBIT
NO.

DESCRIPTION OF EXHIBIT

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- **10.22 --Services Agreement between Castle Transmission International Ltd (formerly known as Castle Transmission Services Ltd) and Castle Tower Holding Corp. dated February 28, 1997.
 - **10.23 --Shareholders' Agreement among Berkshire Fund IV Investment Corp., Berkshire Investors LLC, Berkshire Partners LLC, Candover Investments PLC, Candover (Trustees) Limited, Candover Partners Limited (as general partner for 4 limited partnerships), Castle Tower Holding Corp., Telediffusion de France International S.A., and Diohold Limited (now known as Castle Transmission Services (Holdings) Ltd) dated January 23, 1997.
 - **10.24 --First Amendment to Amended and Restated Stockholders Agreement by and among Crown Castle International Corp., Edward C. Hutcheson, Jr., Ted B. Miller, Jr., Robert A. Crown and Barbara Crown and the persons listed as Investors dated January 28, 1998.
 - **10.25 --Third Amendment to Sprint Master Lease Agreement, dated February 12, 1998.
 - *10.26 --Form of Stockholders Agreement between Crown Castle International Corp. and certain stockholders listed on Schedule 1 thereto.
 - *10.27 --Agreement among Castle Transmission Services (Holdings) Ltd., Digital Future Investments B.V., Berkshire Partners LLC and certain shareholders of Castle Transmission Services (Holdings) Ltd. for the sale and purchase of certain shares of Castle Transmission Services (Holdings) Ltd., for the amendment of the Shareholders' Agreement in respect of Castle Transmission Services (Holdings) Ltd. and for the granting of certain options dated April 24, 1998.
 - *10.28 --Form of Governance Agreement among Crown Castle International Corp., Telediffusion de France International S.A. and Digital Future Investments B.V.
 - *10.29 --CTI Operating Agreement
 - *10.30 --Form of Shareholders' Agreement among Crown Castle International Corp., Telediffusion de France International S.A. and Castle Transmission Services (Holdings) Limited.
 - *10.31 --Site Sharing Agreement between National Transcommunications Limited and The British Broadcasting Corporation dated September 10, 1991.
 - +10.32 --Transmission Agreement between The British Broadcasting Corporation and Castle Transmission Services Limited dated February 27, 1997.
 - +10.33 --Digital Terrestrial Television Transmission Agreement between The British Broadcasting Corporation and Castle Transmission International Ltd. dated February 10, 1998.
 - +10.34 --Agreement for the Provision of Digital Terrestrial Television Distribution and Transmission Services between British Digital Broadcasting plc and Castle Transmission International Ltd. dated December 18, 1997.
 - *10.35 --Loan Amendment Agreement among Castle Transmission International, Castle Transmission Services (Holdings) Ltd. and certain lenders dated May 21, 1997.
 - *10.36 --First Amendment to 1995 Stock Option Plan dated April 1, 1998.
 - +10.37 --Contract between British Telecommunications PLC and Castle Transmission International Inc. for the Provision of Digital Terrestrial Television Network Distribution Service dated May 13, 1998.
 - +10.38 --Site Marketing Agreement dated June 25, 1998 between BellSouth Mobility Inc. and Crown Communication Inc.
 - *11 --Computation of net loss per common share.
 - *21 --Subsidiaries of Crown Castle International Corp.
 - ***23.1 --Consent of KPMG Peat Marwick LLP.
 - ***23.2 --Consent of Ernst & Young LLP.

EXHIBIT NO.	DESCRIPTION OF EXHIBIT
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- 23.3 --Consent of Cravath, Swaine & Moore (included in Exhibit 5).
- *24. --Powers of Attorney.
- **27.1 --Financial Data Schedule for the period ended December 31, 1996.
- **27.2 --Financial Data Schedule for the period ended September 30, 1997.
- **27.3 --Financial Data Schedule for the period ended December 31, 1997.
- *27.4 --Financial Data Schedule for the period ended March 31, 1998.
- ***99.1 --Consent of Michel Azibert.
- ***99.2 --Consent of Bruno Chetaille.
- ***99.3 --Consent of William A. Murphy.

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* To be filed by amendment.
** Incorporated by reference to the exhibits with the corresponding exhibit numbers in the Registration Statement on Form S-4 previously filed by the Registrant (Registration no. 333-47873).

*** Previously filed.
+ Indicates that portions of the exhibit have been omitted pursuant to a request for confidential treatment and such portions have been filed with the Commission separately.

(b) Financial Statement Schedules

Schedule I--Condensed Financial Information of Registrant

All other schedules are omitted because they are not applicable or because the required information is contained in the financial statements or notes thereto included in this Registration Statement.

ITEM 17. UNDERTAKINGS

Insofar as indemnification for liabilities arising under the Securities Act of 1933 (the "Securities Act") may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Houston, State of Texas, on this day of , 1998.

Crown Castle International Corp.,

/s/ Charles C. Green, III

By: -----

NAME: CHARLES C. GREEN, III
TITLE: EXECUTIVE VICE PRESIDENT
AND CHIEF FINANCIAL OFFICER

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on this day of , 1998.

SIGNATURE

TITLE

*

Chief Executive
Officer and Vice
Chairman of the
Board (Principal
Executive Officer)

TED B. MILLER, JR.

*

President and
Director

DAVID L. IVY

/s/ Charles C. Green, III

Executive Vice
President and Chief
Financial Officer
(Principal
Financial Officer)

CHARLES C. GREEN, III

*

Vice President,
Chief Accounting
Officer and
Corporate
Controller
(Principal
Accounting Officer)

WESLEY D. CUNNINGHAM

*

Chairman of the
Board

CARL FERENBACH

SIGNATURE

TITLE

*

Director

ROBERT A. CROWN

Director

GARTH H. GREIMANN

Director

*

RANDALL A. HACK

Director

*

DAVID C. HULL, JR.

Director

*

EDWARD C. HUTCHESON, JR.

Director

*

J. LANDIS MARTIN

Director

*

ROBERT F. MCKENZIE

Director

*

JEFFREY H. SCHUTZ

*By: /s/ Charles C. Green, III

CHARLES C. GREEN, III ATTORNEY-IN-FACT

EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION	PAGE
*1.1	--Form of Underwriting Agreement.	
**2.1	--Asset Purchase and Merger Agreement among Crown Network Systems, Inc., Crown Mobile Systems, Inc., Robert A. Crown, Barbara Crown and Castle Acquisition Corp. I, Castle Acquisition Corp. II, Castle Tower Holding Corp. dated July 11, 1997.	
**2.2	--First Amended and Restated Asset Purchase and Merger Agreement among Crown Network Systems, Inc., Crown Mobile Systems, Inc., Robert A. Crown, Barbara Crown and Castle Acquisition Corp. I, Castle Acquisition Corp. II, Castle Tower Holding Corp. dated July 11, 1997, as amended and restated on August 14, 1997.	
**2.3	--Stock Purchase Agreement by and between Castle Tower Holding Corp., Bruce W. Neurohr, Charles H. Jones, Ronald J. Minnich, Ferdinand G. Neurohr and Terrel W. Pugh dated May 12, 1997 ("TEA Stock Purchase Agreement").	
*2.4	--Share Exchange Agreement among Castle Transmission Services (Holdings) Ltd., Crown Castle International Corp., TeleDiffusion de France International S.A., Digital Future Investments B.V. and certain shareholders of Castle Transmission Service (Holdings) Ltd. dated as of April 24, 1998.	
**3.1	--Certificate of Incorporation of Castle Tower Holding Corp. dated April 26, 1995.	
**3.2	--Certificate of Amendment of Certificate of Incorporation of Castle Tower Holding Corp. dated July 2, 1996.	
**3.3	--Certificate of Amendment of Certificate of Incorporation of Castle Tower Holding Corp. dated February 19, 1997.	
**3.4	--Certificate of Amendment of Certificate of Incorporation of Castle Tower Holding Corp. dated June 16, 1997.	
**3.5	--Certificate of Amendment of Certificate of Incorporation of Castle Tower Holding Corp. dated October 31, 1997.	
**3.6	--Amended and Restated Bylaws of Castle Tower Holding Corp. dated February 24, 1997.	
*3.7	--Form of Restated Certificate of Incorporation of Crown Castle International Corp.	
*3.8	--Form of Amended and Restated Bylaws of Crown Castle International Corp.	
**4.1	--Indenture between Crown Castle International Corp. and United States Trust Company of New York, as trustee (including exhibits).	
**4.2	--Amended and Restated Stockholders Agreement among Castle Tower Holding Corp., Edward C. Hutcheson, Jr., Ted B. Miller, Jr., Robert A. Crown and Barbara Crown and the persons listed on Schedule I thereto dated August 15, 1997.	
*4.3	--Article Fourth of Certificate of Incorporation of Castle Tower Holding Corp. (included in Exhibits 3.1 through 3.5).	
**4.4	--Trust Deed related to (Pounds)125,000,000 9 per cent. Guaranteed Bonds due 2007 among Castle Transmission (Finance) PLC, as Issuer, Castle Transmission International Ltd and Castle Transmission Services (Holdings) Ltd., as Guarantors, and The Law Debenture Trust Corporation p.l.c., as Trustee, dated May 21, 1997.	
**4.5	--First Supplemental Trust Deed related to (Pounds)125,000,000 9 per cent. Guaranteed Bonds due 2007 among Castle Transmission (Finance) PLC, as Issuer, Castle Transmission International Ltd and Castle Transmission Services (Holdings) Ltd, as Guarantors, and The Law Debenture Trust Corporation p.l.c., as Trustee, dated October 17, 1997.	
*4.6	--Specimen Certificate of Common Stock.	

EXHIBIT NO.	DESCRIPTION	PAGE
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*5.	--Opinion of Cravath, Swaine & Moore with respect to the legality of Common Stock.	
**10.1	--Registration Rights Agreement by and among Crown Castle International Corp. and Lehman Brothers Inc. and Credit Suisse First Boston Corporation dated as of November 25, 1997.	
**10.2	--Loan Agreement by and among Castle Tower Corporation, KeyBank National Association (formerly known as "Society National Bank") and certain lenders dated April 26, 1995 ("KeyBank Loan Agreement").	
**10.3	--First Amendment to KeyBank Loan Agreement dated June 26, 1996.	
**10.4	--Second Amendment to KeyBank Loan Agreement dated January 17, 1997.	
**10.5	--Third Amendment to KeyBank Loan Agreement dated April 3, 1997.	
**10.6	--Fourth Amendment to KeyBank Loan Agreement dated October 31, 1997.	
**10.7	--Fifth Amendment to KeyBank Loan Agreement dated November 24, 1997.	
**10.8	--Amended and Restated Limited Holdco Guaranty by Crown Castle International Corp., in favor of KeyBank National Association, as Agent, dated November 25, 1997.	
**10.9	--Memorandum of Understanding regarding Management and Governance of Castle Tower Holding Corp. and Crown Communications, Inc. dated August 15, 1997.	
+**10.10	--Site Commitment Agreement between Nextel Communications, Inc. and Castle Tower Corporation dated July 11, 1997.	
+**10.11	--Independent Contractor Agreement by and between Crown Network Systems, Inc. and Sprint Spectrum L.P. dated July 8, 1996, including addendum dated November 12, 1997.	
+**10.12	--Independent Contractor Agreement between Crown Network Systems, Inc. and Powerfone, Inc. d/b/a Nextel Communications dated September 30, 1996.	
+**10.13	--Independent Contractor Agreement by and between APT Pittsburgh Limited Partnership and Crown Network Systems, Inc. dated December 3, 1996.	
+**10.14	--Master Lease Agreement between Sprint Spectrum, L.P. and Robert Crown d/b/a/ Crown Communications dated June 11, 1996 ("Sprint Master Lease Agreement").	
10.15	--First Amendment to Sprint Master Lease Agreement, dated July 5, 1996 (included in Exhibit 10.14).	
10.16	--Second Amendment to Sprint Master Lease Agreement, dated January 27, 1997 (included in Exhibit 10.14).	
+**10.17	--Master Lease Agreement between Powerfone, Inc. d/b/a/ Nextel Communications and Robert A. Crown d/b/a Crown Communications dated October 3, 1996.	
+**10.18	--Master Lease Agreement between APT Pittsburgh Limited Partnership and Robert Crown d/b/a Crown Communications dated December 3, 1996.	
+**10.19	--Master Tower Lease Agreement between Cellco Partnership d/b/a/ Bell Atlantic NYNEX Mobile, Pittsburgh SMSA, L.P. and Pennsylvania RSN No. 6 (II) and Robert A. Crown d/b/a/ Crown Communications dated December 29, 1995, as amended by a letter agreement dated as of October 28, 1997.	
+**10.20	--Master Tower Lease Agreement between Cellco Partnership d/b/a/ Bell Atlantic NYNEX Mobile, Pittsburgh SMSA, L.P. and Pennsylvania RSN No. 6 (II) and Robert A. Crown d/b/a/ Crown Communications dated December 29, 1995, as amended by a letter agreement dated as of October 28, 1997.	
**10.21	--Castle Tower Holding Corp. 1995 Stock Option Plan (Third Restatement).	
**10.22	--Services Agreement between Castle Transmission International Ltd (formerly known as Castle Transmission Services Ltd) and Castle Tower Holding Corp. dated February 28, 1997.	

EXHIBIT NO.	DESCRIPTION	PAGE
**10.23	--Shareholders' Agreement among Berkshire Fund IV Investment Corp., Berkshire Investors LLC, Berkshire Partners LLC, Candover Investments PLC, Candover (Trustees) Limited, Candover Partners Limited (as general partner for 4 limited partnerships), Castle Tower Holding Corp., Telediffusion de France International S.A., and Diohold Limited (now known as Castle Transmission Services (Holdings) Ltd) dated January 23, 1997.	
**10.24	--First Amendment to Amended and Restated Stockholders Agreement by and among Crown Castle International Corp., Edward C. Hutcheson, Jr., Ted B. Miller, Jr., Robert A. Crown and Barbara Crown and the persons listed as Investors dated January 28, 1998.	
**10.25	--Third Amendment to Sprint Master Lease Agreement, dated February 12, 1998.	
*10.26	--Form of Stockholders Agreement between Crown Castle International Corp. and certain stockholders listed on Schedule 1 thereto.	
*10.27	--Agreement among Castle Transmission Services (Holdings) Ltd., Digital Future Investments B.V., Berkshire Partners LLC and certain shareholders of Castle Transmission Services (Holdings) Ltd. for the sale and purchase of certain shares of Castle Transmission Services (Holdings) Ltd., for the amendment of the Shareholders' Agreement in respect of Castle Transmission Services (Holdings) Ltd. and for the granting of certain options, dated April 24, 1998.	
*10.28	--Form of Governance Agreement among Crown Castle International Corp., Telediffusion de France International S.A. and Digital Future Investments B.V.	
*10.29	--CTI Operating Agreement.	
*10.30	--Form of Shareholders' Agreement among Crown Castle International Corp., Telediffusion de France International S.A. and Castle Transmission Services (Holdings) Ltd.	
*10.31	--Site Sharing Agreement between National Transcommunications Limited and The British Broadcasting Corporation dated September 10, 1991.	
+10.32	--Transmission Agreement between the British Broadcasting Corporation and Castle Transmission Services Limited dated February 27, 1997.	
+10.33	--Digital Terrestrial Television Transmission Agreement between the British Broadcasting Corporation and Castle Transmission International Ltd. dated February 10, 1998.	
+10.34	--Agreement for the Provision of Digital Terrestrial Television Distribution and Transmission Services between British Digital Broadcasting plc and Castle Transmission International Ltd. dated December 18, 1997.	
*10.35	--Loan Amendment Agreement among Castle Transmission International Ltd., Castle Transmission Services (Holdings) Ltd. and certain lenders dated May 21, 1997.	
*10.36	--First Amendment to 1995 Stock Option Plan dated April 1, 1998.	
+10.37	--Contract between British Telecommunications PLC and Castle Transmission International Ltd. for the Provision of Digital Terrestrial Television Network Distribution Service dated May 13, 1998.	
+10.38	--Site Marketing Agreement dated June 25, 1998 between BellSouth Mobility Inc. and Crown Communication Inc.	
*11	--Computation of net loss per common share.	
*21	--Subsidiaries of Crown Castle International Corp.	
***23.1	--Consent of KPMG Peat Marwick LLP.	
***23.2	--Consent of Ernst & Young LLP.	
23.3	--Consent of Cravath, Swaine & Moore (included in Exhibit 5).	

EXHIBIT NO.	DESCRIPTION	PAGE
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**24	--Powers of Attorney.	
**27.1	--Financial Data Schedule for the period ended December 31, 1996.	
**27.2	--Financial Data Schedule for the period ended September 30, 1997.	
**27.3	--Financial Data Schedule for the period ended December 31, 1997.	
*27.4	--Financial Data Schedule for the period ended March 31, 1998.	
***99.1	--Consent of Michel Azibert.	
***99.2	--Consent of Bruno Chetaille.	
***99.3	--Consent of William A. Murphy.	

- -----
* To be filed by amendment.
** Incorporated by reference to the exhibits with the corresponding exhibit numbers in the Registration Statement on Form S-4 previously filed by the Registrant (Registration no. 333-43873).

*** Previously filed.

+ Indicates that portions of the exhibit have been omitted pursuant to a request for confidential treatment and such portions have been filed with the Commission separately.

DATED 27th FEBRUARY 1997

(1) THE BRITISH BROADCASTING CORPORATION

and

(2) CASTLE TRANSMISSION SERVICES LIMITED

TRANSMISSION AGREEMENT

HOME SERVICE

LINKLATERS & PAINES
Barrington House
59-67 Gresham Street
London EC2V 7JA

Tel: 0171-606 7080

Ref: RMDB/MSH

C00018678

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THIS AGREEMENT is made the 27th day of February 1997 BETWEEN

- (1) THE BRITISH BROADCASTING CORPORATION, a corporation incorporated under Royal Charter, whose principal office is at Broadcasting House, Portland Place, London W1A 1AA ("the BBC"); and
- (2) CASTLE TRANSMISSION SERVICES LIMITED (registered number 3196207) whose main place of business is Warwick Technology Park, Heathcote Lane, Warwick CV34 5DS ("TxCo")

WHEREAS

- (A) The BBC has vested in TxCo, whose registered office is at Barrington House, 59-67 Gresham Street, London EC2V 7JA, substantially all of the assets of the BBC's Transmission division other than the part of the business known as World Service Transmission Operations.
- (B) TxCo owns pursuant to the Transfer Scheme and operates transmitting stations for wireless telegraphy and apparatus for the purposes of broadcasting, inter alia, throughout the United Kingdom, the Isle of Man and the Channel Islands.
- (C) The BBC is incorporated under the Charter and required under the Charter and Agreement to provide radio and television broadcasts.
- (D) TxCo will hold the necessary licences under the WTA and the Telecoms Act to perform the Services contemplated by this Agreement.
- (E) The Services to be performed under this Agreement are substantially the same as the BBC's Transmission division has been performing pursuant to an existing intra-group trading arrangement up to the date on which the Transfer Scheme comes into force.
- (F) The parties do not consider that the arrangement set out in this Agreement is a new procurement but rather the formalization of an existing arrangement the duration of which is proportionate to the BBC's need for the continuity of existing arrangements to facilitate the vesting of TxCo.

IT IS HEREBY AGREED AS FOLLOWS:

1. DEFINITIONS

In this Agreement:

"ACCEPTED" in relation to the DAB Services and the DAB Construction Services shall mean acceptance by the BBC of a Station in accordance with the agreed acceptance specification and the DAB Project Plan set out in Schedule 1.1

"ACCOUNTABLE FAULT" means a fault of the kind defined in Schedule 5 Part 4.

"AFFILIATE" means any undertaking in respect of which a participating interest is held by TxCo, the BBC or another subsidiary undertaking of the BBC, or its parent undertaking or any subsidiary undertaking of its parent undertaking (as such terms are defined in sections 258 to 260 and Schedule 9 of the Companies Act 1985, as amended by the Companies Act 1989).

"AGREEMENT" means the Agreement between the Secretary of State and the BBC dated 25 January 1996.

"AMS" means the Automatic Messaging Service.

"ANCILLARY ACCOMMODATION" means Deferred Facilities comprising buildings, which are both ancillary accommodation and DF Assets, and the equipment in such buildings, which are BBC DF.

"ANCILLARY SERVICES" means all vertical blanking interval ("VBI") services, such as the existing teletext service, Audetel, subtitling and Signal-3, VBI talk back, radio data services and DAB programme-associated data and any other similar services provided by the BBC from time to time.

"AUTOMATIC FAULT REPORTING EQUIPMENT" means equipment located at Stations which monitors the status of other equipment, including, but not limited to, whether transmitters are operating at reduced power, and sends data back to the TOC allowing it to monitor remotely the status of the transmitter.

"AVERAGE EARNINGS INDEX" means the average earnings index for the whole United Kingdom economy as published from time to time by the Office of National Statistics or, if such index shall cease to be published or if there is a material change in the basis of the index, such other average earnings index as is an equivalent replacement, or if there is not a replacement, as the BBC may, after consultation with TxCo, reasonably determine to be appropriate in the circumstances.

"1996 ACT" means the Broadcasting Act 1996.

"BBC ASSIGNEE" means any wholly owned subsidiary of the BBC to whom the BBC has assigned this Agreement pursuant to Clause 17.2.

"BBC DF" means any equipment or structures or circuits owned or rented by the BBC and used for the purposes of providing DF Services.

"BBC EQUIPMENT" means any equipment at the TxCo Sites (not being TxCo Equipment) owned by or leased to the BBC including, but not limited to, radio car base equipment, OB equipment and the test DTT multiplexers, or equipment run by a third party used by the BBC or any provider of services to the BBC, including any BBC Nominated Contractor in relation to the Services which Equipment is included in a Site Sharing Agreement with the BBC or excluded from transfer to TxCo in the Transfer Scheme.

"BBC NOMINATED CONTRACTOR" means a contractor engaged by the BBC who is from time to time permitted access by TxCo to the Stations to install, maintain, repair and replace BBC Equipment including BBC DF.

"BBC'S PROGRAMMES" means any national radio and television services, regional broadcasting services, local radio services, Teletext and other ancillary services (including any Emergency Announcements) provided by the BBC consisting of programmes and ancillary material intended for transmission by wireless telegraphy and made by or on behalf of the BBC in accordance with the terms of the Charter and Agreement.

"BBC REPRESENTATIVE" means a person or persons nominated in writing to TxCo by the BBC from time to time to be its contractual point of contact, in accordance with the notice provisions of this Agreement.

"BBC SHARED EQUIPMENT" means any equipment, other than TxCo Equipment, at a BBC Site which is also used by TxCo or other BBC Equipment to which TxCo has access pursuant to a Site Sharing Agreement.

"BBC SITE" means any property owned, or occupied under lease or license, by the BBC, other than properties leased or licensed to the BBC by TxCo pursuant to a Site Sharing Agreement.

"BILLING INFORMATION" means the information to accompany TxCo's invoiced Charges to the BBC for the Services including the information set out, and in the form described, in Schedule 2.

"BROADCAST DUTY MANAGER" means the radio presentation manager, the current radio Operational Point of Contact.

"BROADCASTING ACT" means the Broadcasting Act 1990.

"BT" means British Telecommunications plc.

"CHARGES" means the charges payable from time to time by the BBC to TxCo for the Services and under any Site Sharing Agreements calculated in accordance with Schedules 2 and 7.

"CHARTER" means the Charter granted to the BBC by Her Majesty the Queen in Council on 13 March 1996.

"CHARTER AND AGREEMENT" means the Charter granted to the BBC by Her Majesty the Queen in Council on 13 March 1996 and the Agreement between the Secretary of State and the BBC dated 25 January 1996 both of which came into force on 1 May 1996, as such Charter and Agreement may from time to time be amended or replaced.

"COMMENCEMENT DATE" means the date on which the Transfer Scheme comes into effect.

"DAB CONSTRUCTION SERVICES" means the provisions of services as set out in Schedule 1, which services relate to the installation by TxCo of digital audio broadcasting facilities to 27 transmitter sites.

"DAB MULTIPLEX" means the system by which the DAB Services are conveyed from their point of origin to the listeners' receiving apparatus.

"DAB SERVICES" means the transmission by wireless telegraphy of a multiplexed signal which contains a range of BBC audio and data services.

"DEFERRED FACILITIES" means the assets owned by TxCo and the BBC and used in providing the DF Services as set out in Schedule 9, as that Schedule may be amended from time to time.

"DF ASSETS" means those assets owned by TxCo and listed in Schedule 9 from time to time and used in providing the DF Services.

"DF SERVICES" means the services described in Schedule 9 to be performed by TxCo.

"DF STATIONS" means the Sites at which the Deferred Facilities described in Schedule 9 are located.

"DF TRANSMITTED SERVICES" means the services transmitted using the Deferred Facilities, which Services form part of the DF Services.

"DUTY ENGINEER" means the person of that title from time to time on duty at the TOC.

"EFFECTIVE RADIATED POWER" in a given direction, means the measure which is the product of the power supplied to an antenna and its gain in that direction relative to a half-wave dipole.

"EMERGENCY ANNOUNCEMENTS" means the provision by the BBC as required by Clause 8.1 of the Agreement of announcements or other matter from all or any of the Stations.

"EMERGENCY POWERS" means a power exercisable by a Minister of the Crown pursuant to any legislation enacted or made to deal with a public emergency including the Emergency Powers Act 1920 and any regulations made under it.

"EMERGENCY SERVICES" means the services described in Clause 3.2.4, including the Transmission Network being taken over pursuant to any direction by the Secretary of State or any other Minister of the Crown and used for Her Majesty's Service. The Emergency Services include the DF Transmitted Services.

"EMPLOYEES" means the employees of TxCo (or any sub-contractor of TxCo) from time to time principally employed for the purposes of performing TxCo's obligations under this Agreement or the employees of any TxCo Assignee from time to time principally employed for the purposes of performing TxCo's obligations under this Agreement.

"ENERGIS" means Energis Communications Limited.

"ENGINEERING PERFORMANCE STANDARDS" means the technical performance parameters to be applied by TxCo in its performance of the Services as set out in Schedule 4.

"FORCE MAJEURE EVENT" means any events or circumstances beyond the reasonable control of the defaulting party which shall include but not be limited to Act of God, war, civil disturbance, statutory prohibition, Government intervention, order or act of Government or local/public authority, acts of terrorism, fire, lightning, flood, adverse propagation conditions, and any other adverse weather conditions, explosion, accident, theft or vandalism, national strike action or industrial action taken by a union or interruption caused by a third party station owner or the BBC provided that neither party can rely on strikes, industrial action, theft or acts of vandalism where it

could reasonably have been expected to have prevented them or the industrial action or strike is by its own employees only.

"GENERAL SERVICES AGREEMENT " means the agreement of even date between the parties to this Agreement;

"HMG" means any Minister of the Crown and/or government department, including the Cabinet Office, or the nominated representative of any of them.

"HOME OFFICE" means such government department as carries out the governmental functions relevant to the DF Services referred to in this Agreement from time to time, as the context permits, and which is currently headed by the Secretary of State for the Home Office.

"INDEX" or "RPI" means the general retail price index (all items) as published in the monthly Digest of Statistics by the UK Office of National Statistics, as amended from time to time, or any equivalent replacement.

"INSERTION TEST SIGNAL" means a test signal, as defined in the BBC R&D Technical Memorandum S1199(91), inserted into the vertical blanking interval of a television signal.

"INTERFACE" means the network termination points between the BBC's distribution and contribution systems and the Transmission Network for each of Network Television, Network Radio and Regional Broadcasting as set out in Schedule 3.

"LF RADIO DATA" means radio data on low frequency transmissions.

"LOCAL RADIO" means regional radio services other than national radio services.

"LOSSES" means all losses, liabilities, costs (including without limitation legal costs), expenses and damages.

"MANAGED BROADCAST CORE NETWORK" means the distribution and contribution network provided to the BBC by Energis (including circuits sub-contracted from BT) and used to carry part of the signals comprising the BBC's Programmes to and from the source of the BBC Programmes and the Interface, including for the purposes of this Agreement all SHF Circuits and OB inject points retained by the BBC. The Managed Broadcast Core Network excludes the Self Provided Network.

"MAINTENANCE SERVICES" means:

- (i) the maintenance of radio car base equipment, OB inject points and SHF Circuits as set out in Schedule 1 para 2; and
- (ii) maintenance of contribution circuits comprised in the Self Provided Network.

"MINIMUM PERIOD" means the period from the Commencement Date until 31 March 2007.

"MONITORING SERVICES" means the monitoring by TxCo of the Transmission Network and the Self Provided Network.

"NETWORK MANAGEMENT CENTRE" means the unit within the BBC to be established to monitor the Managed Broadcast Core Network, the BBC's internal telecommunications networks and IT infrastructure.

"NETWORK RADIO SERVICES" means broadcast transmission services for BBC Network Radio programmes including programmes broadcast on the channels known as Radios 1, 2, 3, 4 and 5 Live and DAB Services and any broadcast data services using the frequencies reserved for Radios 1, 2, 3, 4 and 5 Live and DAB.

"NETWORK TELEVISION SERVICES" means broadcast transmission services for the transmission of BBC1 and BBC2 network television programmes and other programmes (including Ceefax) provided by the BBC and using the same frequencies as BBC1 and BBC2.

"NEW SERVICES" means the new services which the BBC requests TxCo to undertake as agreed, such as new UHF or MF transmitters or FM fillers, DAB Phase 2, DTT and new RDS equipment. Once a new service is agreed between the parties it shall become a New Service from that time.

"NEWS" means the News directorate of the BBC.

"NEW STATIONS" means additional and replacement Stations, whether on an existing or new site installed by TxCo pursuant to this Agreement or the General Services Agreement.

"NICAM STEREO" means a digital stereo sound service broadcast as part of the BBC1 and BBC2 signal from some Stations.

"NTL" means National Transcommunications Limited.

"NTL AGREEMENT" means the master Site Sharing Agreement of 10 September 1991 between the BBC and NTL which will be transferred to TxCo pursuant to the Transfer Scheme.

"NTL SITES" means all sites owned by, leased or licensed to NTL and dealt with under the NTL Agreement.

"OB" means outside broadcast.

"OPERATIONAL POINT OF CONTACT" for television means the Presentation Engineering Co-ordinator, for network radio the Broadcast Duty Manager and for regional radio the Head of Production Services or such other post as is notified to TxCo by the BBC from time to time in writing in accordance with the provisions of this Agreement. The Operational Point of Contact will be available on a 24 hour a day basis, unless the Operational Point of Contact is responsible only for regional radio.

"OPERATOR" means the BBC and/or any Successor Operator.

"PERFORMANCE DATABASE" means the database used for calculating Performance Measures, maintained and supported by the TOC.

"PERFORMANCE MEASURES" means the numerical indications of TxCo's overall performance, calculated as set out in Schedule 10 part 1.

"PERFORMANCE STANDARDS" means the overall performance parameters to be applied by TxCo in its performance of the Transmission Service as set out in Schedule 10.

"PLANNED INTERRUPTIONS" means any interruptions of the kind described in Clauses 10.1.1 and 10.1.2.

"PLANNED WORK MESSAGE" means a message sent using the AMS where there is a Planned Interruption to the Transmission Service or periods of reduced power working.

"PRESENTATION ENGINEERING CO-ORDINATOR" means the engineer on duty at Television Centre of that title or any replacement engineer designated by the BBC in accordance with the notice provisions of this Agreement, the current television Operational Point of Contact.

"PRIORITY STATIONS" means those stations described as Priority Stations in Schedule 3 part 1 as amended from time to time.

"PROPOSED SALE AGREEMENT" means the agreement for the proposed disposal by the BBC of all of its interest in TxCo.

"PTO" means a telecommunications operator designated as a public telecommunications operator under the Telecoms Act.

"R&D SERVICES AGREEMENT" means the call-off agreement of even date between TxCo and the BBC's Research & Development department relating to services to be supplied to TxCo by the BBC such as service planning, testing, technical consultancy for HF/UHF control systems, development of digital audio broadcasting technology, digital terrestrial television technology and services to be provided by TxCo to the BBC such as advice on the construction and equipping of New and existing Stations and the provision of facilities for testing equipment.

"RDS" means radio data service, included with the signal of Network and Regional Radio.

"RF" means radio frequency.

"RADIO REGULATIONS" means the Radio Regulations of the International Telecommunications Union or any replacement for such regulations and includes all related regional agreements.

"RADIO SERVICE PLANNING NOTE" means the partial requirement specification for a radio transmitting station, containing all details except the antenna radiation patterns.

"RADIO STATION DESIGN PROPOSAL" means the supplement to the Radio Service Planning Note containing the antenna radiation patterns.

"REGION" means the national and English regions of the BBC, being Northern Ireland, Wales, Scotland, Northern England, the Midlands and East England, and Southern England.

"REGIONAL BROADCASTING SERVICES" means broadcast transmission services of the BBC comprising Regional Radio and Television programmes using the same frequencies as Network Television and Network Radio and those of Regional Radio.

"REGIONAL RADIO" means each of the local and national radio stations listed below:

REGION	RADIO STATION	LOCATION
Scotland	Radio Scotland	Glasgow
Scotland	BBC Radio Nan Gaidheal	Isle of Lewis
Scotland	BBC Radio Orkney	Orkney
Scotland	BBC Radio Shetland	Shetland
Northern Ireland	Radio Ulster	Belfast
Northern Ireland	Radio Foyle	Londonderry

Wales	Radio Wales	Cardiff
Wales	Radio Cymru	Cardiff
England (South)	BBC Radio Bristol	Bristol
England (South)	BBC Somerset Sound	Bristol
England (South)	BBC Radio Gloucestershire	Gloucester
England (South)	BBC Wiltshire Sound	Swindon
England (South)	BBC Radio Devon	Plymouth
England (South)	BBC Radio Cornwall	Cornwall
England (South)	BBC Radio Guernsey	Guernsey
England (South)	BBC Radio Jersey	Jersey
England (South)	BBC Radio Solent	Southampton
England (South)	Southern Counties Radio	Guildford
England (South)	Greater London Radio	London
England (South)	BBC Thames Valley FM	Oxford
England (South)	BBC Radio Kent	Kent
England (Midlands & East)	BBC Radio West Midlands	Birmingham
England (Midlands & East)	BBC Radio Stoke	Stoke-on-Trent
England (Midlands & East)	BBC Radio Shropshire	Shrewsbury
England (Midlands & East)	BBC Radio CWR	Coventry
England (Midlands & East)	BBC Radio Hereford & Worcester	Worcester
England (Midlands & East)	BBC Radio Nottingham	Nottingham
England (Midlands & East)	BBC Radio Leicester	Leicester
England (Midlands & East)	BBC Radio Derby	Derby
England (Midlands & East)	BBC Radio Lincolnshire	Lincoln
England (Midlands & East)	BBC Radio Norfolk	Norfolk
England (Midlands & East)	BBC Radio Cambridgeshire	Cambridge
England (Midlands & East)	BBC Radio Suffolk	Ipswich
England (Midlands & East)	BBC Radio Northampton	Northampton
England (Midlands & East)	Three Counties Radio	Luton
England (Midlands & East)	BBC Essex	Chelmsford
England (North)	Greater Manchester Radio	Manchester
England (North)	BBC Radio Lancashire	Blackburn
England (North)	BBC Radio Merseyside	Liverpool
England (North)	BBC Radio Leeds	Leeds

England (North)	BBC Radio Sheffield	Sheffield
England (North)	BBC Radio York	York
England (North)	BBC Radio Humberside	Hull
England (North)	BBC Radio Newcastle	Newcastle upon Tyne
England (North)	BBC Radio Cleveland	Middlesborough
England (North)	BBC Radio Cumbria	Carlisle

"RELEVANT EMPLOYEES" means all Employees employed immediately before the Transfer Date (whether employed by TxCo or otherwise) whose contract of employment has been or is to be transferred to the BBC or, as the case may be, a Successor Operator by virtue of the operation of law (including the Transfer Regulations) or any other person so employed in respect of whom liabilities arising from a contract of employment or employment relationship have or will be transferred by virtue of the operation of law (including the Transfer Regulations).

"RELEVANT EMPLOYER" means an employer of any of the Employees or the Relevant Employees.

"REVIEW COMMITTEE" means the committee described in Clause 11.

"ROUTINE MAINTENANCE" means work that is planned by TxCo to minimize faults on either TxCo Equipment or BBC Equipment (if such Equipment is required by the BBC to be maintained by TxCo under this Agreement) and to ensure that such Equipment operates safely, complies with all applicable statutory requirements and meets the Engineering Performance Standards.

"THE SECRETARY OF STATE" means one of Her Majesty's Principal Secretaries of State.

"SELF PROVIDED NETWORK" or

"SPN" means the microwave links owned from time to time by TxCo and used by it as part of the Transmission Network.

"THE SERVICE AREA" means the current service areas of Stations as identified and held by the BBC's Research & Development department.

"THE SERVICES" means, either collectively or individually as appropriate, the Network Television Services, the Network Radio Services, the Regional Broadcasting Services, the Ancillary Services, the Emergency Services, the Monitoring Services, the Maintenance Services, the DF Transmitted Services, the DF Services, the DAB Construction Services and any New Services agreed to be provided by TxCo by terrestrial wireless telegraphy transmission to the BBC.

"SERVICE CREDITS" means credits against Charges in respect of TxCo failing to meet the relevant Performance Measure in accordance with Clause 12.4.

"SERVICE MESSAGE" means a message of the kind described in Schedule 5 part 5.2.

"SHF CIRCUITS" means the remotely controlled antennas, transmitters and receivers owned by the BBC and used by the BBC for contribution, including circuits used for OB and electronic newsgathering.

"SHARED TELECOMMUNICATIONS AGREEMENT" means the agreement of even date between TxCo and the BBC relating to TxCo's use of the BBC's internal telecommunications networks.

"SITE SHARING AGREEMENT" means the agreement between TxCo and the BBC in the form set out in Schedule 6 relating to TxCo's access, use and occupation of BBC Sites, an agreement in the form set out in Schedule 9 Annex 2 making provision for access, use and occupation of each relevant WCo Site or TxCo Site by the BBC or TxCo for Deferred Facilities, and an agreement in the form set out in Schedule 7 for each relevant TxCo Site for BBC's access, occupation and use in relation to BBC Equipment shared equipment or otherwise.

"STATIONS" means the wireless telegraphy stations (including related equipment) listed in Annex 1.

"SUCCESSOR OPERATOR" means a contractor succeeding TxCo in the provision or operation of all or any of the Services.

"TALK AGREEMENT" means the agreement of 28 March 1995 between the BBC and Talk Radio UK Limited.

"TARGET PERFORMANCE MEASURE" means the Performance Measure which is required for each of BBC1, BBC2, Radio 2, Radio 3, Radio 4 FM, Radio 4 MF, Radio 5 Live, DAB and Regional, National and Local Radio.

"TELECOMS ACT" means, in relation to the UK, the Telecommunications Act 1984 or such equivalent statutes as are from time to time in force in the Channel Islands or the Isle of Man.

"TELETEXT" means Ceefax or any other data service transmitted using lines in the vertical blanking interval of the vision element of the television signal directed to the general public.

"TELESWITCHING AGREEMENT" means the agreement of even date between TxCo and the BBC relating, inter alia, to performance of the contract of 9 February 1996 between the BBC and the

Electricity Association and the contract of 21 July 1994 between the BBC and the Norfolk County Council.

"TELETEXT EQUIPMENT" means the teletext equipment owned by TxCo installed at Stations used to enhance the provision of Teletext as such equipment is more particularly described in Schedule 12 para 4.

"TELEVISION SERVICE PLANNING NOTE" means the full requirement specification for a television transmitting Station.

"TERM" means the term of this Agreement set out in Clause 2.2, subject to earlier termination in accordance with Clause 13.

"TOC" means the Technical Operations Centre operated and maintained by TxCo at Warwick including the back-up centre at Sutton Coldfield or such other site or sites to which it may be moved.

"TRANSFER DATE" means close of business on the date when this Agreement terminates.

"TRANSFER REGULATIONS" means the Transfer of Undertakings (Protection of Employment) Regulations 1981.

"TRANSFER SCHEME" means the transfer scheme to be made by the BBC in favour of TxCo pursuant to the 1996 Act.

"TRANSMISSION FAULTS" means such breaks, discontinuances or other impairments of the radiation of the BBC's Programmes as are related solely to one or more faults in the Transmission Network which shall include Major Faults and Minor Faults as defined in Schedule 5, Part 4.

"TRANSMISSION NETWORK" means all or such part of the transmission system operated and/or provided by TxCo (including the Stations listed in Annex 1 as that list may be amended from time to time in accordance with this Agreement), the transmission apparatus installed at the TxCo Sites from time to time (including the TxCo Equipment) and the Self Provided Network, in each case used to provide the Transmission Service.

"TRANSMISSION SERVICE" means the transmission by terrestrial wireless telegraphy of the BBC's Programmes on the frequencies and at the power described in Annex 1 from the Stations by means of the Transmission Network in accordance with the Engineering Performance Standards.

"TXCO ASSIGNEE" means any person, firm or company to whom TxCo has assigned this Agreement pursuant to Clause 17.2.

"TXCO EQUIPMENT" means any apparatus or equipment other than BBC Equipment used by TxCo to provide the Transmission Service to the BBC from time to time under the terms of this Agreement, including but not limited to, all apparatus and equipment transferred to TxCo under the Transfer Scheme and also including any New Stations or transmitters and additional equipment required for this purpose from time to time and TxCo-owned equipment on BBC Sites.

"TXCO LICENCES" means the Telecoms Act licences held by TxCo which authorise the provision by TxCo of the Services and the WTA licences held by TxCo which authorises use and installation of wireless telegraphy equipment.

"TXCO REPRESENTATIVE" means a person or persons nominated in writing from time to time by TxCo to the BBC to be TxCo's contract representative.

"TXCO SITE" means any property owned, or occupied under lease or licence, by TxCo, other than pursuant to a Site Sharing Agreement entered into pursuant to this Agreement.

"TXCO SUB-CONTRACTOR" has the meaning given in Clause 13.8.2.

"VAT" means value added tax as currently charged under the Value Added Tax Act 1994 and any successor or replacement thereof and any similar tax chargeable under the laws of the United Kingdom or any other jurisdiction.

"VIRGIN AGREEMENT" means the agreement dated 26 November 1992 between the BBC and Independent Music Radio Limited, now known as Virgin Radio Limited.

"WSCO" means the company into which the assets relating to the transmission of BBC World Service radio transmission are to be vested pursuant to the 1996 Act.

"WSCO EQUIPMENT" means equipment owned, or to be owned, by WSCO.

"WSCO SITE" means any property owned, or occupied under lease or licence, by WSCO, other than a lease or licence granted by TxCo.

"WTA" means the Wireless Telegraphy Acts 1949-1967 and any amendments to such Acts and any other legislation of equivalent effect in force from time to time in the Channel Islands or the Isle of Man.

"YEAR" means the period from the Commencement Date to 31 March 1997 (which constitutes the first Year), and each subsequent complete period of twelve months, or in respect of the second Year the period beginning on 1 April 1997 and concluding on 31 March 1998 and each subsequent Year beginning on 1 April.

- 1.1 The expressions "the BBC" and "TxCo" include their respective permitted assigns, employees and agents.
- 1.2 Other than in Clause 13.5, any reference to any Act of Parliament will be deemed to include any replacement or re-enactment for the time being in force and to include any by-laws, statutory instruments, licences, rules, regulations, orders, notices, directions, consents or permissions made under such Act and any condition attaching thereto.
- 1.3 The headings in this Agreement are for ease of reference only and will not be taken into account in the construction or interpretation of any provision to which they refer.
- 1.4 The invalidity or unenforceability of any individual provision(s) of this Agreement shall not affect any other provision herein or render this Agreement invalid or unenforceable.
- 1.5 This Agreement is made between principals and it shall not be deemed to create any partnership between the parties and neither shall hold itself out as agent or partner of the other except as specifically contemplated under this Agreement.
- 1.6 In the event of any inconsistency between the general provisions of this Agreement and any of the provisions contained in any of the Schedules and Annexes to this Agreement the provisions of this Agreement shall take precedence.
- 1.7 Failure by either party to exercise any right conferred by this Agreement will not be deemed to be a waiver of any such right nor operate so as to bar the exercise or enforcement thereof or of any right on any other occasion.
- 1.8 Except to the extent that the context otherwise requires, words and expressions defined in Article 1 of the Radio Regulations shall have the same meanings in this Agreement.

2. DURATION AND CONTRACT MANAGEMENT

- 2.1 The operation of this Agreement shall be kept under continuous review by the parties, including the regular meetings provided for in Clauses 3.2.7 and 11 below. The provisions as to payments under all Site Sharing Agreements between the parties shall be reviewed no later than 31

December 2001 and if the NTL Agreement is amended, or amounts payable under it changed, in any material respect prior to that date, such review shall take place within three (3) months of that amendment having been made.

2.2 This Agreement will be deemed to have come into force on the Commencement Date and, subject to Clause 13, shall continue in force until either party gives to the other not less than 12 months' prior written notice of termination expiring at the end of any Year on or after the end of the Minimum Period ("the Term").

2.3 Whilst TxCo shall have no rights to apply the BBC's name to any goods, or use it in relation to any services without the prior written permission of the BBC, TxCo shall have the right to state that it provides transmission and other services to the BBC in accordance with this and other agreements and to represent itself as a successor to part of the BBC's business.

3. SERVICES

3.1 TRANSMISSION OF BBC'S PROGRAMMES

3.1.1 Subject to Clause 3.1.5, TxCo shall provide the Network Radio Services, the Network Television Services, the Regional Broadcasting Services and the DAB Services and, subject to Clause 3.1.5 shall transmit the BBC's Programmes in the form in which such signals are received at the Interfaces from the Managed Broadcast Network or otherwise as indicated in this Agreement on the frequencies and at the power level set out in Annex 1 for the Term. TxCo shall ensure that it does not unreasonably operate any Station at reduced power. In transmitting the BBC's Programmes TxCo shall use the Stations and provide the Services as a free to air terrestrial broadcast service, that being the manner it currently provides the Services. Such Services shall comprise the Transmission Service.

(i) Subject to Clause 12.4, in particular, TxCo will ensure that the Transmission Service:

- (a) conforms to the Engineering Performance Standards;
- (b) is performed in accordance with the standard of care to be expected of a provider of radio and television broadcast transmission services.

(ii) TxCo will repair or otherwise attend to all Transmission Faults as soon as practicable, but in any event in accordance with Schedule 5, Part 5.

(iii) Failure to comply with the obligations described in (i) and (ii) above may entitle the BBC to recover Service Credits in accordance with the provisions of Clause 12.4.

3.1.2 TxCo shall not be liable for failure to provide the Transmission Service:

(i) in respect of any failure or degradation of the signal or message comprising the BBC's Programmes which arises during transmission from the source of the BBC's Programmes' signals to the Interface ;

(ii) (except as provided in (i) above) where it is temporarily unable to provide all or part of the Transmission Service due to a Force Majeure Event;

(iii) where any of the Transmission Network is requisitioned, taken over or used pursuant to Clause 8 of the Charter and Agreement, any Emergency Powers, including for the making of Emergency Announcements, the performance of Emergency Services or use of the Deferred Facilities or pursuant to any direction under section 94 of the Telecoms Act.

3.1.3 TxCo shall maintain the Re Broadcast Standby (RBS) facilities which were in place on the Commencement Date, as listed in Schedule 12, Part 1. These facilities shall continue to be available to provide the BBC's Programmes as far as they comprise Network Radio and Network Television Programmes which TxCo will automatically select on failure of the normal source of the BBC's Programmes. The quality of signals provided by the RBS facilities shall be determined by the practical limitations of each facility and TxCo shall not be required to ensure that these facilities meet the Engineering Performance Standards. RBS facilities are intended only to provide a usable source of the BBC's Network Television Programmes and Network Radio Programmes, where feasible, in order to avoid total loss of signal. TxCo shall not be required to ensure that RBS facilities will provide usable sources at all times. TxCo shall not be required to ensure that usable signals are radiated if a major failure of the normal distribution network operated by the BBC to the Interface results in programme distribution passing through a chain of several TxCo RBS facilities.

3.1.4 The permitted use of the contribution circuits comprised in Self Provided Network (listed in Schedule 12, Part 5) shall be limited to use by TxCo for the performance of this Agreement and not the provision of any other third party service without the prior written consent of the BBC (which consent may, in the BBC's discretion, be granted subject to the negotiation of any necessary modifications to this Agreement (including modifications to the charges). For the avoidance of doubt, the BBC requires immediate access to the Self Provided Network contribution circuits on demand 24 hours a day, 365 days a year (or 366 days in a leap year).

The performance and availability limits for the Self Provided Network contribution circuits shall be those applying at the Transfer Date as set out in the Managed Broadcast Network handbook.

3.1.5 TxCo hereby undertakes not to interfere with, modify or adjust in any way the BBC's Programmes or in any other way affect the BBC's editorial control of its Programmes whether before or after their transmission through the Transmission Network, other than:

- (i) as is necessary to process the signals for the purposes of transmission by the transmitters comprised in the Transmission Network;
- (ii) where automatic protection systems are in place; or
- (iii) as directed by the BBC in writing.

TxCo may also interfere with, modify or adjust such signal where necessary in order to comply with the Engineering Performance Standards subject in any such case to the agreement of the Operational Point of Contact prior to carrying out any such interference, modification or adjustment at a Priority Station. To the extent that the BBC does not agree to the interference, modification or adjustment, or delays the time at which it may take place, TxCo shall not be liable for Service Credits. TxCo may interfere with, modify or adjust such signals at Stations, other than Priority Stations, subject to immediately notifying the BBC's Operational Point of Contact as soon as it has carried out such interference, modification or adjustment. It may also replace the signal if requested by the Operational Point of Contact with an alternative source of the BBC's Programmes.

3.1.6 The BBC may from time to time during the Term request that TxCo either:

- (i) adjusts the operating frequency or power output of the transmitters at one or more of the Stations; or
- (ii) provides the Transmission Services by the use of New Stations in the United Kingdom, the Channel Islands or the Isle of Man (including in accordance with the General Services Agreement),

and TxCo agrees that it shall use all reasonable endeavours to do so in accordance with the provisions of this Agreement subject to any necessary adjustments to the Engineering Performance Standards, the Charges, any other relevant parts of this Agreement and subject to any of the TxCo Licences and subject to the BBC providing TxCo with information as to the population/location to be served by any New Station or transmitter operating at a different frequency or power and any other information reasonably required by TxCo.

3.1.7 All negotiations required to agree any amendments needed to this Agreement, including amendments to accommodate any such New Stations or any adjustment to operating frequencies or power output or to adjust the Engineering Performance Standards or Charges shall be conducted in good faith by both parties.

3.2 OTHER SERVICES

3.2.1 MONITORING SERVICES

- (i) TxCo shall monitor 24 hours per day 365 days per year (or 366 days in a Leap Year) the Transmission Network using Automatic Fault Reporting Equipment at the locations where they currently exist. The present locations of Automatic Fault Reporting Equipment are listed in Schedule 1, Part 3. Changes in location or the provision of additional Automatic Fault Reporting Equipment will be subject to an amendment in the Charges. The remaining sites which transmit the BBC's Programmes shall be monitored on an ad hoc basis by members of the public who volunteer to assist. TxCo will use its reasonable endeavours to establish and maintain such contacts.
- (ii) As part of its Monitoring Services TxCo will notify the BBC whenever it is aware of a Transmission Fault, whether by reason of Automatic Fault Reporting Equipment

or otherwise notified to it. TxCo will, whenever it is practicable to do so, inform the BBC of the likely duration of such Transmission Fault and of the steps being taken to rectify it.

- (iii) TxCo shall report to the Operational Point of Contact and, if requested in writing by the BBC, the Network Management Centre, all material faults of which it is aware which occur on all PTO-provided broadcast circuits which distribute the signals comprising the BBC's Programmes to the Interface.

3.2.2 DF SERVICES

TxCo's obligations in relation to Deferred Facilities and the provision of DF Services shall be as set out in Schedule 9.

3.2.3 MAINTENANCE SERVICES

TxCo's obligations in relation to the maintenance of BBC Equipment shall be as set out in Schedule 1, Part 2. To the extent necessary to perform the Maintenance Services, the BBC will procure access to any premises TxCo does not otherwise have access to.

3.2.4 EMERGENCY SERVICES

- (i) In the event that the BBC notifies TxCo that the BBC's Programmes include any Emergency Announcements, TxCo will transmit such Emergency Announcements from all Stations notified to it by the BBC, using, where required, the Self Provided Network and the TxCo Equipment, notwithstanding any planned or routine maintenance relating to such Stations, and to halt, to the extent that it would otherwise prevent the transmission of such Emergency Announcements, any emergency fault repair. In the event that the BBC notifies TxCo that it has been requested by the Secretary of State to refrain from broadcasting or transmitting any matter or class of matter, the BBC will prevent such matter from being sent to the Interface. The BBC will pay all of TxCo's reasonable costs of performance of the Emergency Services, including, but not limited to, all costs related to powering up TxCo's generators, unless such costs are covered by any payment to TxCo by Her Majesty's Government.
- (ii) The BBC will act as required, requested or directed by the Secretary of State, any Minister of Her Majesty's Government, the Home Office or the Channel Islands' authorities in providing any Emergency Announcement, requiring the cessation of

any transmission or taking possession of any of the Stations other than on NTL Sites or any TxCo Equipment. The BBC agrees to use its reasonable endeavors to provide as much notice as possible of any requirements for an Emergency Announcement or any of the Emergency Services, including DF Transmitted Services. Subject to the terms of any direction given to TxCo by Her Majesty's Government, the BBC and TxCo will work together when required by the BBC to plan the procedures for transmitting Emergency Announcements, at the BBC's cost, such cost to be agreed prior to such planning work being undertaken. In the event of any dispute between TxCo and the BBC, acting on behalf of the Secretary of State, any Minister, the Home Office or the Channel Islands' authorities, the requirements of the BBC shall prevail.

- (iii) In the event that the Secretary of State, or any Minister of the Crown, or official of the Secretary of State authorized to act on his or her behalf, has concluded that an emergency has arisen as contemplated by Clause 8.3 of the Agreement, then TxCo agrees to permit the Secretary of State to exercise her or his powers to take control of the transmission of the BBC's Programmes or any of them or to do any of the other acts contemplated by Clause 8.3 of the Agreement. The Secretary of State or her or his nominee may enter any premises or sites owned, leased or occupied by TxCo other than NTL Sites (unless an order or direction is made by Her Majesty's Government requiring this) in exercise of Emergency Powers and use all TxCo equipment located at such premises or sites and may use any spectrum licensed to TxCo for the BBC's Programmes under its WTA licenses. The BBC may act on behalf of the Secretary of State in this regard. In the event that the powers of the Secretary of State or any Minister of the Crown, or any official of the Secretary of State authorized to act on his or her behalf are invoked under this sub-clause (iii), the BBC shall be responsible for the reimbursement of any operating costs occasioned by the exercise of the powers and to make good any loss or damage to any TxCo Equipment or other equipment on TxCo Sites. The BBC shall not be liable in such circumstances to make any other payment to TxCo.
- (iv) Any provision of any Emergency Services or an Emergency Announcement, either at the request of the BBC or pursuant to any Emergency Powers, shall not constitute a

breach of any other requirements of this Agreement and shall not be a breach of any of the Engineering Performance Standards or otherwise give rise to an obligation on TxCo to make any payment or give any Service Credits to the BBC.

3.2.5 NEW SERVICES

If the BBC requires any new services it will have the right to go out to tender for such services. TxCo shall, if eligible in accordance with the relevant procurement rules and if invited by the BBC, have the right to reply within the prescribed timescale to any invitation to tender. Subject to TxCo's eligibility in accordance with the relevant procurement rules, the BBC must invite TxCo to tender for any work involving an extension to existing Services, and also for future phases of DAB and for digital terrestrial television. The terms for the implementation of any New Services will be agreed between the parties should TxCo be awarded any contracts for New Services by the BBC in accordance with the tendering procedure. The New Services will not include any of the Services referred to under the General Services Agreement. Any New Services comprising only the construction and operation of New Stations requested by the BBC will, unless otherwise agreed, be charged for in accordance with Schedule 2 para 9.

3.2.6 SPECTRUM MANAGEMENT

- (i) In the event that the Radiocommunications Agency wishes to change any of the frequencies set out in Annex 1, or a New Station or a new service requires changes to the use of the spectrum currently licensed to TxCo, the BBC and TxCo will discuss the required changes and TxCo agrees to implement them in the most expeditious and cost-effective manner possible, having regard to the BBC's requirements as set out in this Agreement. TxCo and the BBC will agree on any necessary changes to the Engineering Performance Standards and the Charges (and any other relevant parts of this Agreement) and Schedule 4 and Annex 1 shall be amended accordingly. The BBC agrees to pay TxCo's costs of any work required in assessing any changes required by the Radiocommunications Agency and their implementation.
- (ii) TxCo agrees at the request of the BBC and/or the Radiocommunications Agency to investigate at its own cost any instances of Interference which may be connected to the Stations or the performance of the Transmission Services. In the

event that the instances of Interference are as a result of changes authorised or requested by or acts or omissions of the BBC, the BBC will meet TxCo's reasonable costs of so doing in accordance with the daily man rates set out in Schedule 2.

3.2.7 CONTRACT MANAGEMENT

- (i) The BBC Representative and the TxCo Representative will meet once every 3 months, or more frequently at the reasonable request of either party, to discuss the provision of the Services. Such meetings shall be minuted and copies of such minutes circulated to both parties. Any complaints or problems relating to the provision of the Services of an engineering or technical nature which cannot be satisfactorily resolved by the BBC Representative and the TxCo Representative will be escalated as set out below.
- (ii) The parties will ensure that, for the BBC, either the Deputy Director General or the Director of Policy and Planning, and for TxCo, the Chief Executive Officer, will meet together with a view to resolving the dispute. The parties will allow 30 days from the date of escalation of the dispute under Clause 3.2.7(i) above for such consultation or discussions to take place before initiating any arbitration or other legal proceedings.
- (iii) Thereafter either party shall have the right to refer the matter for adjudication to the President for the time being of the Institution of Electrical Engineers, or his nominee. The President or his nominee shall act as an expert, not an arbitrator. The party referring any matter for adjudication must deliver to the expert and the other party a notice setting out the matters in dispute and any relevant supporting evidence. The other party shall be entitled to reply to the notice and such evidence, delivering such reply to the expert and the party referring the matter. Otherwise, the expert shall be entitled to decide on the procedure he or she wishes to adopt. Any determination of the expert must be in writing and shall be final and binding on both parties failing any manifest error on the face of the decision. Unless the expert determines otherwise, both parties will bear their own costs of the determination.
- (iv) As an alternative to adjudication, or in relation to matters not of an engineering or technical nature, a dispute may be referred to the Review Committee set up under Clause 11 below.

3.3 THIRD PARTY SERVICES

Nothing in this Agreement shall be construed as preventing TxCo from using the TxCo Sites and the Stations, or any of its other assets including DF Assets (other than Ancillary Accommodation and BBC DF) and TxCo Equipment at BBC sites, to perform services for third parties subject always to its obligations to the BBC under this Agreement and any Site Sharing Agreement. TxCo shall be entitled to retain all income it derives from such third party services. When any DF Assets are used by TxCo, other than in performance of the DF Transmitted Services, TxCo shall ensure that it complies with Schedule 9 and that any Deferred Facilities so used are in the SA condition and level of functionality subject to fair wear and tear as before such use and that the use does not prejudice the priority use of them that the BBC requires in an emergency.

3.4 CONTROL OF THE SERVICES

Subject to Clause 3.2.7, in respect of the day-to-day performance of each part of the Service TxCo will deal solely with the Operational Point of Contact. Copies of all correspondence including electronic correspondence between TxCo and the Operational Point of Contact, shall also be sent at the same time to the BBC Representative. In relation to the performance of the Transmission Service, TxCo will have no editorial control in relation to the BBC's Programmes and any changes made to their transmission in the event of a Force Majeure Event Transmission Fault shall be the responsibility of the BBC unless the BBC gives instructions to TxCo to make specified changes to the BBC's Programmes to circumvent the Force Majeure Event or the Transmission Fault which TxCo shall fail to make. In respect of the performance of the DF Transmitted Services in the case of a national emergency, to the extent to which it is able, the BBC will inform TxCo of the arrangements for controlling the Transmission Services.

3.5 MONITORING AT THE INTERFACE

The following arrangements shall apply with respect to the monitoring, reporting and resolution faults at each type of Interface.

3.5.1 MBN CORE INTERFACES FOR TELEVISION SERVICES AT TXCO SITES

Where there is existing Automatic Fault Reporting Equipment and vision parameter measuring equipment, TxCo shall remotely monitor the quality of the analog television signal comprising the BBC's Programmes at the Interface with the MBN TxCo Sites, using that equipment. If the quality, as indicated by the Insertion Test Signal, falls below the limits set out in Schedule 4 para 1, then TxCo shall report this fault to the BBC's Operational Point of Contact who will be responsible for procuring

restoration of the signal at the Interface to the specified quality set out in Schedule 4 para 1 in the column numbered 1.

3.5.2 SELF PROVIDED NETWORK INTERFACES AT BBC SITES FOR TELEVISION SERVICES

No quality monitoring of the TV signal will be provided at the input to the Self Provided Network where this is located at a BBC Site. In this situation TxCo shall remotely monitor the quality of the output of the Self Provided Network at TxCo Sites. The monitoring will be by the use of existing Automatic Fault Reporting Equipment and vision parameter measuring equipment. If the quality of the signal at this point, as measured using the Insertion Test Signals, falls below the levels specified in Schedule 4 para 1 in the column numbered 1, then TxCo will report this to the BBC's Operational Point of Contact who shall then take all reasonably practicable steps to ensure that the quality of the TV signal comprising the BBC's Programmes at the Interface meets the quality specified in Schedule 4 para 1 in the column numbered 1. If, so far as can be reasonably ascertained, the quality of that signal at the Interface is satisfactory, then TxCo agrees to despatch a maintenance engineer to identify the cause of the fault and to restore service so that it complies with the Engineering Performance Standards. If requested to do so, the BBC's Operational Point of Contact will arrange for TxCo staff to be given emergency access to TxCo Equipment at the relevant BBC Site.

3.5.3 MBN CORE NETWORK INTERFACE FOR RADIO SIGNALS AT TXCO SITES

The quality of the multiplexed bitstream comprising such of the BBC's Programmes as are radio programmes delivered by the MBN to the Interface will be monitored where it is currently monitored by reference to the error rate of the multiplexed bitstream by TxCo, TxCo will notify the Operational Point of Contact and the Network Management Centre (when established) of any faults. Action will be taken by the BBC's Operational Point of Contact, or the Network Management Centre, following notification by TxCo if the performance falls below the error rate set out in Schedule 4 para 2.7.

3.5.4 SELF PROVIDED NETWORK INTERFACE FOR RADIO SIGNALS AT BBC SITES

The obligations of both TxCo and the BBC for the monitoring of radio signals comprising part of the BBC's Programmes delivered to the Interface with the Self Provided Network at BBC Sites shall be as set out in Clause 3.5.2 above, except that the signal will be a digital bitstream at the Interface point and the quality of the bitstream will be remotely monitored where it is currently monitored at the relevant

TxCo Sites, and may be monitored at the relevant BBC Site, in each case in accordance with Clause 3.5.3 above. Any faults will be reported to the operational Point of Contact.

3.5.5 INTERFACE TO 1500 MHZ DIGITAL RADIO LINKS BETWEEN LOCAL RADIO STUDIOS AND LOCAL RADIO TRANSMITTERS

The arrangements for monitoring at the Interface such of the BBC's Programmes as comprise Local Radio will be as set out in Clause 3.5.4 above but TxCo shall continue remotely to monitor the presence or otherwise of that signal at the output of the links connecting to the Interface, using supervisory tones, if it does so currently. Any faults will be reported to the Operational Point of Contact.

3.5.6 PTO CIRCUIT ANALOGUE INTERFACES FOR RADIO SERVICES AT TXCO SITES

Arrangements for the monitoring at the Interface comprising, on the BBC side, PTO provided analog circuits such of the BBC's Programmes as comprise Local, Regional and National Radio shall be the same as set out in Clause 3.5.1 above, except that only the presence or otherwise of the circuit will be monitored, by use of supervisory tones or other electronic means as set out in Schedule 4 para 7. In addition to reporting any faults to the Operational Point of Contact, faults shall also be reported to the Network Management Centre, when established.

3.6 COMPLIANCE WITH SITE SHARING AGREEMENTS

TxCo agrees to comply with all Site Sharing Agreements with the BBC as required by Clause 4.5.1 below. In the event of any inconsistency between any of the Site Sharing Agreements and the terms of this Agreement, this Agreement shall prevail.

4 BBC'S OBLIGATIONS

4.1 OPERATIONAL OBLIGATIONS

4.1.1 The BBC shall supply the BBC's Programmes to TxCo in any form the BBC sees fit at each relevant part of the Interface for transmission from the Interface in the form in which the BBC currently delivers the BBC's Programmes, unless otherwise agreed; provided that the form in which the BBC supplies the

BBC's Programmes to TxCo at each relevant part of the Interface is such form as permits TxCo to transmit those Programmes in the form in which Tx Co currently transmits them, and; further

provided, that TxCo does not change the equipment directly

connected to the Interface without

the BBC's agreement. The Interface will not be changed without the agreement of both parties.

4.1.2 In the event of interruption or degradation to the signal carrying the BBC's Programmes occurring prior to receipt of the BBC's Programmes at the Interface the onus shall be upon the BBC to establish and remedy the cause. For the avoidance of doubt, TxCo shall not be held to be in breach of any of its obligations under this Agreement as a result of interruption or deterioration in the quality of transmission of the BBC's Programmes in such circumstances unless that interruption or degradation is as a direct result of the breach by TxCo of any of its obligations under this Agreement. Notwithstanding the above, TxCo will immediately notify the BBC's Operational Point of Contact where such signal interruption or degradation comes to its notice or is identified pursuant to Clause 3.5 or 7.2 and shall provide all assistance reasonably required by the BBC, at the BBC's expense, in accordance with the daily man rates set out in Schedule 2.

4.1.3 If a Transmission Fault is identified by either party that party shall immediately pass details of the fault to the Duty Engineer and the Operational Point of Contact. The cost of identifying Transmission Faults shall be borne by the BBC, if the Transmission Fault is with BBC Equipment, and by TxCo if the Transmission Fault is with TxCo Equipment.

4.1.4 The BBC will ensure that the MBN Core Network, or such other means of delivery of the signals comprising the BBC's Programmes to the Interface as is used by it from time to time, is regularly inspected and maintained as necessary, including replacement of worn parts and repair of faults.

4.1.5 The BBC agrees to monitor the MBN Core Network and any other PTO provided broadcast circuits.

4.2 OBTAINING CONSENTS/LICENSING

Without prejudice to any other provision of this Agreement, the BBC will use its reasonable endeavours to obtain and comply at its cost with any permission, license, consent, registration and approval necessary or reasonably considered desirable by TxCo (including without limitation any necessary approval under the Charter and Agreement, the 1996 Act and/or the Broadcasting Act) for:

- 4.2.1 provision of the Services and any New Services, including any access required to the BBC's Sites, excluding any planning and building consents required for all Sites other than BBC Sites. The BBC can request TxCo to apply for such planning and building consents, subject to TxCo being reimbursed for its costs in doing so;
- 4.2.2 installation and maintenance of the BBC Equipment, the MBN Core Network, any other PTO-provided broadcast circuits used by it to deliver signals, comprising the BBC's Programmes, to the Interface or for contribution purposes, the provision of the Super High Frequency (SHF) OB Links and any other means used for transmission of the BBC's Programmes to the Interface;
- 4.2.3 connection of the BBC DF, the SHIF OB Links, other equipment and any circuits used to deliver the BBC's Programmes to the Interface to TxCo Equipment or the Transmission Network; and
- 4.2.4 subject to Clause 3.2.6(ii) above, compliance with any obligation in the Charter and Agreement to investigate instances of Interference notified to it by the Radiocommunications Agency. The BBC will inform TxCo of all such notifications relating to the Transmission Network.

4.3 USE OF THE SERVICES

- 4.3.1 The BBC will supply the BBC's Programmes in accordance with this Agreement and such reasonable additional operating instructions as may be notified in writing or orally (and confirmed in writing) to the BBC by TxCo from time to time which are necessary to permit TxCo to comply with the relevant provisions of the WTA or the Telecoms Act and any other licence which governs the running of the Transmission Network.
- 4.3.2 Without limitation to the generality of Clause 4.3.1, the BBC will not knowingly permit the BBC's Programmes to contain any material:
 - (i) which is defamatory, offensive or abusive or of an obscene or menacing character; or
 - (ii) which constitutes a violation or infringement of the rights of any person (including but not limited to all intellectual property rights such as moral rights, rights of copyright or confidentiality) or infringement of any law.

4.3.3 The BBC will indemnify TxCo against all Losses in any jurisdiction arising out of or in any way connected with the matters referred to in Clause 4.3.2.

4.3.4 TxCo shall not be liable to the BBC in the event that a pirated signal is injected to any of the Stations and transmitted from them or if any Station picks up off air signals not licensed for broadcasting in the UK and re-transmits such signals. TxCo agrees that if it becomes aware of the injection of any pirated signal it will reasonably promptly inform each of the BBC and the Radiocommunications Agency and will cooperate with any reasonable request of the Radiocommunications Agency concerning that pirated signal. TxCo will also use all reasonable efforts to minimize the risk of pirated signals being injected to any of the Stations but shall not be obliged to take any additional action or measures to those currently taken.

4.3.5 The BBC shall permit TxCo to use its telecommunications networks for the AMS and its Automatic Fault Reporting Equipment and to use the BBC's internal telephone network in accordance with the Shared Telecommunications Agreement.

4.4 PAYMENT

4.4.1 The BBC shall pay to TxCo during the term of this Agreement the Charges in respect of each of the Services and pursuant to the Site Sharing Agreements, less any Service Credits calculated under Clause 12.4.1 together with all license fees payable under the TxCo Licenses, in accordance with the provisions of Schedule 2 and for the avoidance of doubt the BBC shall be directly responsible for the following payments in addition to the Charges:

- (i) the charges for installing and connecting the BBC DF to TxCo's Equipment at the Stations as set out in Schedule 9; and
- (ii) charges referred to in 3.3, 3.4 and 7 of Schedule 2; and
- (iii) the charges for the New Stations referred to in the General Services Agreement, calculated in accordance with Schedule 2 paras 8 and 9 of Schedule 2; and
- (iv) all costs (whether direct or indirect) of transmission of, the BBC's Programmes to the Interface, and
- (v) amounts payable by reason of any changes that are made to this Agreement in accordance with its terms.

- 4.4.2 TxCo agrees to provide the BBC promptly with copies of all correspondence it receives from the Radiocommunications Agency relating to license fees for the WTA licence held by it for performance of the Transmission Services (or any successor body with the same responsibilities as that agency). The BBC agrees that it will not exercise its rights under this Clause 4.4.2 in any manner which would jeopardise the standing or existence of TxCo's WTA licenses.
- 4.4.3 For the avoidance of doubt, in the event that the list of Stations is amended during the Term the BBC agrees to pay any adjusted Charges, ascertained in accordance with the relevant provisions of Clause 5, other than TxCo-initiated changes, unless the BBC agrees, on a case by case basis, to pay such Charges in respect of TxCo-initiated changes.
- 4.4.4 The parties confirm and agree that if the BBC wishes to amend the list of Stations to include a non-TxCo-owned Station, additional provisions will need to be agreed between the parties whereby TxCo enters into a lease/licensing agreement with the station owner permitting access to such station and enabling TxCo to provide the Services (insofar as it is lawful and able to do so) on behalf of the BBC, and that the Charges will need to be modified accordingly.

4.5 ACCESS

- 4.5.1 The BBC shall, where required in relation to the DF Services and the SHF Circuits and OB inject points and the other BBC Equipment, comply with the relevant Site Sharing Agreement with TxCo in respect of each of the relevant Stations on or before the date of this Agreement. It is agreed that no such Site Sharing Agreement shall create the relationship of landlord and tenant between the BBC and TxCo.
- 4.5.2 Subject to the provisions of Clauses 3.2.4, 4.5.4 and Schedule 9 and to the terms in which TxCo is in occupation of any of the Priority Stations, the BBC or the BBC's Nominated Contractor(s) shall be permitted access to each of the Priority Stations at least once per annum per Station and to other Stations at other reasonable times having regard to the availability of TxCo resources by prior notice and by arrangement with TxCo for the purpose of conducting routine checks of The Transmission Network in order to ascertain whether it is meeting the Engineering Performance Standards. Where access is sought by the BBC or the BBC's Nominated Contractor(s) seeking to rectify

any faults to the BBC DF, BBC Equipment and BBC Shared Equipment, TxCo shall make access available to the relevant Station as soon as reasonable in the circumstances and in accordance with the provisions of the relevant Site Sharing Agreement.

4.5.3 Where the BBC, or the BBC's Nominated Contractor(s) on behalf of the BBC, exercises its rights to access to the Stations, as provided in Clause 4.5.2 above, TxCo may require that the BBC or the BBC's Nominated Contractor is accompanied by one appropriate member of TxCo staff and TxCo shall be entitled to recover as an additional charge from the BBC the costs and expenses of such attendance, calculated as a daily rate for any day or part of a day, at the relevant Station, except when the access is required to test whether the Transmission Network has met the Engineering Performance Standards having previously failed to meet such Standards in the previous twelve (12) months, in which case the relevant costs shall be for TxCo. Such daily rate shall be as set out in Schedule 2 subject to annual review to reflect any increase in the staff, charges subject to a cap equivalent to the variation in the Index in the previous year. Such charges shall be in addition to and not form part of the Charges but will be included in the Billing Information.

4.5.4 The BBC shall comply with TxCo's regulations as notified to it from time to time when entering onto and performing work on TxCo's Sites and shall procure that the BBC's Nominated Contractor shall do the same. The BBC shall reimburse TxCo for any damage, Loss or expense which it may suffer or incur as a result of the BBC's (or its Nominated Contractor's) access to any of TxCo's Sites pursuant to this Clause 4.5.

4.6 MAINTENANCE OF MBN CORE NETWORK AND OTHER BBC TELECOMMUNICATIONS NETWORKS

The BBC agrees to give TxCo as much notice as possible in the circumstances of any planned or urgent maintenance of, and any alterations made to the MBN Core Network and any other BBC telecommunications network used by TxCo, which may affect TxCo. If the BBC is unable to give such notice it shall not be in breach of this Agreement and TxCo will in any event be relieved of any liability for failure to perform to the extent such failure is directly attributable to its inability to use either the MBN Core Network or any BBC telecommunications network because of any such maintenance or alterations.

4.7 RADIO FREQUENCY PLANNING SERVICES

The BBC agrees to make available to TxCo, in accordance with the R&D Services Agreement, the services of the service planning section of its Research and Development department.

4.8 OWNERSHIP OF THE EQUIPMENT

The BBC will not remove or alter in any way any identification mark on any part of the TxCo Equipment showing that it is owned by TxCo. TxCo will not be obliged to remove the BBC logo from any equipment to which it is permanently affixed which has become TxCo Equipment.

4.9 ACCESS TO RECORDS AND SOFTWARE

4.9.1 The BBC will have a reasonable right of access on reasonable notice to any specifications or diagrams of any of the current TxCo Equipment and the current Stations which are in the possession or control of TxCo and can legally be supplied.

4.9.2 In addition, the BBC has the right to audit any records on which the Billing Information is based or which relate to power consumption of the Stations or to the costs of provision of the DAB Services or by the construction and operation of any New Stations itself or by an independent auditor (whose identity shall be reasonably approved by TxCo), subject to the BBC's agreement to keep such records confidential and not to use them for any other purpose. Such audit may be conducted by the BBC or on the BBC's behalf by an independent auditor, not more than twice in each year of this Agreement and at the BBC's cost. In the event that such audit reveals any discrepancy in any Billing Information or in the Charges the BBC and TxCo agree to rectify such discrepancy as soon as practicable. If TxCo disagrees on the existence of a discrepancy then the matter shall be referred to the Contract Review Committee without prejudice to TxCo's other rights. In the event that any audit reveals overpayment by the BBC of more than 10% of the Charges or other amounts payable in any year of this Agreement, TxCo shall be responsible for all direct costs of the BBC's audit.

4.9.3 TxCo agrees to provide to the BBC a copy of the source code and executable code of any software used to generate the monthly performance review report referred to in Clause 7.3.1 and to license such software to the BBC. TxCo will not charge the BBC for either the licence or the copy of the software.

4.9.4 TxCo agrees to notify the BBC of all changes it makes to such software and, if required by the BBC and at the BBC's cost, to license any modified software to the BBC, such licence to include both source code and executable code.

4.9.5 The BBC agrees that such software shall be conclusive as between it and TxCo for measuring performance pursuant to this Agreement, unless otherwise agreed in writing.

4.10 BBC AFFILIATES

The BBC may permit its Affiliates to use the Services provided that this use does not constitute a breach of TxCo's Licenses or of the Talk or Virgin Agreements, subject to giving TxCo written notice a reasonable period of time prior to such use and TxCo confirming within a reasonable period of receipt that such use would not constitute a breach of any TxCo Licence or any contractual commitment of TxCo. The BBC will be responsible for any use by its Affiliates.

5 PROVISION FOR CHANGES/MODIFICATIONS

5.1 CHANGES BY TXCO

5.1.1 Subject to 5.1.5 below, TxCo shall not make any changes to the Transmission Network or make any changes to the configuration or height of any TxCo Equipment or to the effective radiated power at any Station without the BBC's prior written consent, such consent not to be unreasonably withheld and to be given or refused within 30 days of a request. Failure to respond within that period shall be treated as assent on the part of the BBC, unless the parties agree to an extension of time for consideration by the BBC of the request. TxCo shall be entitled to add third party equipment to any mast or tower provided it does not cause interference to any TxCo Equipment or BBC Equipment.

5.1.2 Notwithstanding Clause 5.1.1 above, TxCo shall be entitled to replace the TxCo Equipment (excluding antennas or parts of antennas) with equipment of equivalent functionality (or improved functionality) without prior written consent from the BBC.

5.1.3 Subject to the provisions of the NTL Agreement, if TxCo requests changes which affect an antenna configuration or an antenna or part of an antenna at a Priority Station, TxCo must demonstrate, at TxCo's cost, no loss in performance by measuring field strength and calculating from this the effective radiated power of the transmitter(s), in a manner to be agreed with the BBC, prior to commencement of work and by repeating the measurement on completion. In the event the comparison indicates a loss in

performance and/or if there are significant viewer or listener complaints, TxCo will take any necessary action to correct the loss and to deal with the complaints and repeat the field strength measurements to demonstrate compliance with the pre-work measured performance. If, notwithstanding any work to be under-taken by TxCo, there is for any other reason a change in the reception of the signal transmitted from the Station, TxCo agrees to investigate all such problems and where appropriate to take necessary action at TxCo's cost. For the avoidance of doubt, TxCo shall not be obliged to undertake any work on any viewer's or listener's apparatus in any circumstances. TxCo will provide, at its own cost, to the BBC Representative both sets of effective radiated power calculations. In addition, TxCo will provide the BBC with a copy of all new antenna specifications showing all the intended radiation patterns of the antennas.

5.1.4 If TxCo has requested changes which affect antenna configuration or an antenna or part of an antenna at a Station which is not a Priority Station, if the BBC reasonably requests it to do so, TxCo will following implementation of the changes measure the field strength and calculate from this the effective radiated power of the transmitter(s), in a manner to be agreed with the BBC, at the BBC's cost. If the effective radiated power so calculated is significantly different from the original requirement as documented in the Television Service Planning Note or the Radio Service Planning Note, supplemented by the Radio Station Design Proposal, as appropriate, TxCo, at its own cost, will replace or modify the antenna to ensure that the effective radiated power does conform in operation to that specification and refund any amounts paid by the BBC under this Clause. In addition, TxCo will provide the BBC with a copy of all new antenna specifications, showing the intended radiation patterns of the antenna.

5.1.5 The BBC's consent under Clause 5 shall not be required where:

- (i) TxCo is the tenant or licensee of the Site on which a Station is located and its lease or license expires or is otherwise terminated for grounds other than breach by TxCo and either TxCo is unable to re-negotiate a renewal on terms which it considers to be reasonable terms or the BBC is unwilling to pay any increased costs or charges which have been sought from TxCo; or
- (ii) closure of a Station is necessitated by a Force Majeure Event; or

- (iii) closure is required, either on a temporary or a permanent basis, by reason of road building or other civil works carried out by a government or public sector body or any other person acting under a concession granted by a government or a public sector body; or
- (iv) if the change is required by law, any national or supranational regulatory authority, the Radio Regulations, the Talk or Virgin Agreements, or any statutory obligations, in such circumstances, the parties agree to make all necessary consequential amendments to this Agreement, including any necessary amendments to a Site Sharing Agreement, or the entering into of a further Site Sharing Agreement in relation to the BBC's Equipment, on similar terms to the existing Site Sharing Agreement.

5.1.6 In making any changes in accordance with this Clause 5, TxCo will have regard to the BBC's programme scheduling requirements and give the BBC's Representative as much written notice as reasonably practicable, with sufficient details of any proposed changes.

5.1.7 TxCo will inform the BBC Representative of any means of which it is aware from time to time to improve the reception of the BBC's Programmes and the coverage area receiving the BBC's Programmes.

5.2 CHANGES REQUESTED BY THE BBC

5.2.1 If the BBC wishes to discontinue, modify, change or add to any part of the Services, then the BBC and TxCo will discuss such modifications, changes or additions with each other, with a view to ascertaining and agreeing the Charges, and other changes required to implement such changes to this Agreement. For the avoidance of doubt an increase in the broadcasting hours for any of the Services shall not be part of the Services which TxCo is obliged to provide without an appropriate increase in the Charges.

5.2.2 In the event that:

- (i) the Charter or the Agreement are modified or any notice is given under the Agreement by the Secretary of State; or
- (ii) the Secretary of State determines, following the review as contemplated by s33 of the 1996 Act, that analog broadcasting should cease in whole and in part;

both parties agree to make all necessary changes to this Agreement, including to the Charges. In the event that any such change is likely to result in the reduction of the Charges, the BBC will use its reasonable endeavours to find other services for TxCo to perform for it to make up the shortfall in the Charges, provided that TxCo shall not be obliged to

undertake additional obligations or liabilities (which involve increased obligations and liabilities overall, having regard to the obligations and liabilities of which it has been relieved because of such a change) without a consequent increase in the Charges. If the BBC fails to find such other services in a reasonable period of time, having regard to the nature of the changes, TxCo agrees to use its reasonable endeavours to secure additional work to make up any shortfall using existing facilities. If TxCo is unable to obtain such work within a reasonable period of time, having regard to the nature of the changes, the BBC will make up any shortfall so that TxCo shall receive the Guaranteed Charges for the Minimum Period only. The Guaranteed Charges as at the date of this Agreement are 246.83 million adjusted annually in accordance with Schedule 2. In the event that the BBC has made up any shortfall in the Guaranteed Charges pursuant to this clause 5.2.2 and either pursuant to Clauses 8 and 9 of Schedule 2 or subsequently the BBC wishes to obtain New Services or New Stations from TxCo, TxCo agrees that any additional charges otherwise payable for such New Services or New Stations shall be reduced by the amount of a payment or payments made to make up such shortfall in the Guaranteed Charges.

5.2.3 If the BBC wishes to relocate any BBC Site on which any TxCo Equipment is located, the BBC will use its reasonable endeavours to provide a suitable replacement site and meet all TxCo's reasonable costs of relocation and re-engineering.

5.3 MODIFICATIONS TO THIS AGREEMENT INCLUDING CHARGES AND PAYMENT

All modifications or amendments to this Agreement must be in writing and signed by both parties and must specify which clauses, schedules and annexes are intended to be amended. All such modifications or amendments must be agreed by the Review Committee pursuant to Clause 11.

6 ENGINEERING PERFORMANCE STANDARDS

6.1 MAINTENANCE OF THE ENGINEERING PERFORMANCE STANDARDS

TxCo shall maintain the Engineering Performance Standards described in Schedule 4 in the course of providing the Transmission Services.

6.2 COMPLIANCE WITH THE ENGINEERING PERFORMANCE STANDARDS

Engineering Performance Standards shall be checked under the following circumstances:

- 6.2.1 For transmitters comprising TxCo Equipment which, at the Commencement Date, have a parallel configuration and can be operated with one half delivering the BBC's Programmes and the other half carrying test signals into a dummy load, manual checks will be carried out by TxCo at six-monthly intervals.
- 6.2.2 If the BBC reasonably believes that TxCo has failed to comply with the Engineering Performance Standards as set out in Schedule 4 or other impairments to the transmission of the BBC's Programmes occur as set out in Schedule 5, Part 5.4.1, in respect of any of the Stations, it may give to TxCo written notice to this effect, and TxCo shall carry out checks in conjunction with the BBC within seven days of the date of such notice to ascertain whether such failure has taken place (provided that, in the event of any dispute between the parties, that dispute shall be referred to the BBC Representative and TxCo Representative and thereafter dealt with according to the contract management procedure set out in Clause 3.2.7 above). Where it is substantiated (either by agreement or by arbitration) that such failure has taken place, then the BBC shall be entitled to recover Service Credits to the extent of a failure to meet the Engineering Performance Standards in accordance with Schedule 10.
- 6.2.3 For such of the BBC's Programmes as comprise radio signals, performance measurement to ensure compliance with the Engineering Performance Standards shall take place up to twice a year at the request of the BBC or at other times by mutual agreement between the BBC and TxCo. During such tests, TxCo shall deploy staff at a sufficient number of TxCo Sites and will carry out sufficient tests to ensure that the Transmission Network as a whole performs in accordance with the Engineering Performance Standards. In order to perform these tests, the BBC may apply an agreed set of test signals to the Transmission Network, in place of normal programme material. Each of the BBC and TxCo shall bear its own costs in respect of such tests. It is agreed that RF power output, frequency and harmonic radiation do not require any such interruption. If the network tests described above reveal that the Engineering Performance Standards are not being achieved, then TxCo and the BBC shall endeavour to make the Transmission Network available for repair work and for re-tests to take place. In undertaking such re-tests, TxCo shall endeavour to minimise disruption to the Services. TxCo shall be responsible for all costs of such re-tests, including any reasonable costs incurred by the BBC. Any disruption to the Services due to network

tests and subsequent repair shall not be deemed to be Accountable Faults. If any network test reveals a failure to comply with the Engineering Performance Standards or any other impairment to the transmission of the BBC's Programmes, provided such fault is repaired by TxCo as soon as is reasonably practicable, TxCo shall not be liable to pay Service Credits to the BBC in respect of that impairment or other failure to comply with the Engineering Performance Standards. Any subsequent repairs in respect of that fault and any re-test in respect of that fault made in accordance with this Clause 6.2.3 shall be an Accountable Fault. All such network tests and re-tests will be organised as Planned Interruptions.

7 PERFORMANCE MONITORING

7.1 PERFORMANCE DATABASE

Performance monitoring in relation to the Transmission Services shall be by reference to the Performance Measures. All source material relevant to performance monitoring shall be recorded by TxCo in the Performance Database. The Performance Database will be archived on a monthly basis, following production of the monthly report referred to in Clause 7.3 and the data kept for 3 years from the end of the then current Year. All other Services will be monitored by the BBC in accordance with the terms of this Agreement, if any.

7.2 FAULT REPORTING

7.2.1 TxCo shall provide a fault Reporting information system operating in accordance with Schedule 5 to notify the BBC if it has failed to provide a Service and other-wise to test compliance with the matters set out in Clause 6 above and any matters comprised in the Services (which shall include responsibility to advise the BBC of any failure to meet the Engineering Performance Standards in accordance with Schedule 5).

7.2.2 As part of its fault reporting information system, TxCo shall maintain its existing Automatic Fault Reporting Equipment.

7.3 PERFORMANCE REPORTING

7.3.1 TxCo will Produce a monthly performance review report in the form set out in Schedule 10, Part 4 relating to Performance Measures, together with information showing details of actual performance which differs significantly from the Target Performance Measures (or Outliers), in data form, for non-Priority Stations. The report shall be sent to the BBC Representative within seven days of the end of each month. In addition, the BBC will be

sent by TxCo an electronic copy of the Performance Database showing performance over the immediately preceding month, on a monthly basis, within two weeks of the end of the relevant month.

- 7.3.2 The Performance Database shall be maintained by TxCo. The BBC shall use the Performance Database and any information or data supplied pursuant to this Agreement relating to TxCo's compliance with this Agreement solely for the purposes of this Agreement. The BBC will be provided with copies of Service Messages produced, in accordance with Schedule 5, electronically to the Operational Point of Contact and the BBC Representative.

8 CUSTOMER COMPLAINTS

- 8.1 TxCo agrees that if it receives complaints from members of the public about BBC reception problems or otherwise relating to the BBC's Programmes, it will refer all such members of the public to the BBC's Engineering Information Department. TxCo will only deal with specified TV dealers and specified members of the public ringing its 0345 number in relation to customer complaints and comments about the Transmission Services and the BBC's Programmes.
- 8.2 The BBC agrees not to publish and to keep confidential all TxCo telephone numbers other than those authorised in writing for publication by TxCo.

9 LICENSING

- 9.1 TxCo shall be responsible for obtaining and/or complying with all necessary planning and building regulations and statutes, civil aviation clearances, consents, property title restrictions, superior landlord's consents (other than in relation to BBC Sites where it shall be the BBC's responsibility to obtain such consents), the NTL Agreement and any other necessary licences and consents required under the provisions of the Telecoms Act to enable TxCo to perform its obligations under this Agreement.
- 9.2 The BBC shall be responsible for doing all that is necessary to assist TxCo to obtain all necessary licences and consents under the WTA and for digital radio or television multiplex licences and shall also assist TxCo in ensuring as far as is possible that the relevant government agency obtains all international frequency clearances as are required in each of those cases 491791/3.2 to provide the Services. TxCo will not be responsible for any failure to obtain such clearances or licences.

10 CONTINUITY OF PROVISION OF SERVICES

Subject to the provisions of this Clause 10, TxCo shall ensure the provision of the Services on a continuous basis as set out in this Agreement and comply with the Engineering Performance Standards at all times when the BBC's Programmes are scheduled to be transmitted.

10.1 ROUTINE MAINTENANCE, FAULT REPAIRS AND PLANNED INTERRUPTIONS

10.1.1 ROUTINE MAINTENANCE, FAULT REPAIRS AND INTERRUPTIONS

TxCo shall only interrupt or reduce the Engineering Performance Standards for the Transmission Network at any one or more of the Stations for the purposes of access to works, safety and routine maintenance requirements if it has agreed such interruption or reduction with the BBC in advance, in which case each interruption or reduction shall be a Planned Interruption for the purposes of Clause 10.1.2. No such agreement is needed for repairing faults on TxCo Equipment or pursuant to the NTL Agreement or where TxCo is obliged to carry out work because of any legal or regulatory requirement. If a maintenance or fault repair is required under the terms of any of the Talk or Virgin Agreements or if any legal or regulatory requirement is not immediate, TxCo shall agree any interruption or reduction of the Engineering Performance Standards with the BBC and the BBC agrees to consider such requests in good faith with a view to ensuring that TxCo is not in breach of the Virgin or Talk Agreements or any such legal or regulatory requirement. In all such circumstances, such interruptions or reductions in the Engineering Performance Standards shall not be an Accountable Fault. If repairing faults for third party customers (other than pursuant to the NTL Agreement or either of the Talk or Virgin Agreements) results in any interruption to the Transmission Services or any reduced power operation, such an interruption or reduced power operation will constitute an Accountable Fault, giving rise to an entitlement by the BBC to Service Credits calculated in accordance with Schedule 10. Where otherwise such access, safety and routine maintenance works and/or repairs constitute and cause Accountable Faults, the BBC shall be entitled to recover Service Credits calculated in accordance with Schedule 10. Without prejudice to Clause 5.1 above, in the event of any routine maintenance, fault repairs or Planned Interruptions, TxCo may provide the Transmission Service by any means available whether permanently or temporarily so as to enable it to achieve the standards of the Service required by the relevant Engineering Performance Standards.

10.1.2 PLANNED INTERRUPTIONS

TxCo or any third parties authorised by TxCo or exercising third party or other statutory rights may reduce or affect the Engineering Performance Standards in order to carry out inspections, alterations, renewal of or repairs to any equipment at any Station forming part of the Transmission Network, including any reduced power operation at any Priority Station and any notified power outages, provided TxCo shall not cause or otherwise permit such interruptions without first giving reasonable advance notice to the BBC, and shall obtain agreement from the BBC as to the dates and times that such interruptions shall take place, such agreement not to be unreasonably withheld or delayed. Such interruptions shall be "Planned Interruptions", as defined in Schedule 5. TxCo shall use all reasonable endeavours to minimise such Planned Interruptions. Interruptions of transmission of the BBC's Programmes for the purposes of routine maintenance shall only take place at monitored stations as Planned Interruptions. If any Planned Interruption is a result of TxCo performing services for a third party other than services relating to digital audio broadcasting or digital terrestrial television broadcasting or pursuant to the NTL Agreement or either the Talk or Virgin Agreements, or as a result of any legal or regulatory requirement, the interruption shall constitute an Accountable Fault.

10.1.3 PERMITTED REMOVAL

The permitted removal of a Station in accordance with this Agreement shall not constitute a breach of the Engineering Performance Standards.

10.2 EMERGENCY FAULT REPAIR

10.2.1 In the event of any interruption to the provision of the Services as a result of a Force Majeure Event, or an imminent fault reasonably apparent to TxCo, TxCo may interrupt the transmission of the BBC's Programmes for the purposes of dealing with the emergency. TxCo will give the Operational Point of Contact immediate notice of the event and whenever possible shall give notice to the Operational Point of Contact of the duration of the interruption.

10.2.2 TxCo shall use all reasonable endeavours to minimise the duration and effect on the provision of the Services of any unscheduled interruption or fault.

10.2.3 In the case of an emergency when transmission of the BBC's Programmes cannot be restored at full power, reduced power will be employed.

10.3 SERVICE PRIORITIES

10.3.1 When all or any of the Services cannot be restored at full power, reduced power operation of all or any of the Services will be employed, if no other arrangements are available to maintain the agreed coverage of the Services. If it is not possible to restore all or any of the Services, the following priorities will normally apply:

(i) if the Station is at a site owned by, or leased or licensed (other than pursuant to the NTL Agreement) by, NTL ("NTL Stations"):

television: [*]

radio: [*]

(ii) if the Station is at a TxCo Site ("TxCo Stations"):

television: [*]

radio: [*]

10.3.2 At radio-only Stations, BBC VHF takes priority over BBC MF.

10.3.3 At NTL Stations without a BBC R4 or national regional equivalent service, BBC Local Radio will take first priority.

10.3.4 During a state of national emergency, a different order of priority may be introduced and TxCo will comply with the instructions of the Operational Point of Contact or such other person as may be nominated in writing by the Operational Point of Contact.

10.3.5 If New Services are added at a Station, the priority set out in 16.3.1 above shall not be altered.

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been Filed with the Securities and Exchange Commission separately.

[*]

11 REVIEW OF PERFORMANCE REQUIREMENTS

TxCo and the BBC will establish a Review Committee to deal with all major matters concerning the amendment, or the reviewing of the operation, of this Agreement. It will consist of two or more representatives of each party, including the TxCo Representative and the BBC Representative, the BBC's Director of Policy and Planning and the Deputy Director General of the BBC and the Chief Executive Officer of TxCo. Its remit will be as follows:

- 11.1 to make recommendations to the parties regarding the need for and implementation of changes to the Services, including changing the designation of Stations as Priority Stations;
- 11.2 to attempt to resolve any disputes that may arise between the parties which cannot be satisfactorily resolved between the TxCo Representative and the BBC Representative, and which are referred to it and to make recommendations to the parties regarding any such dispute;
- 11.3 to monitor technological developments in telecommunications and broadcasting which may affect the provision of the Services and to make recommendations to the parties regarding the desirability of improving the Services in light of such changes and to consider and plan for the implementation of New Services;
- 11.4 to make recommendations on changes to this Agreement required by reason of changes to the Charter and Agreement; and
- 11.5 any other matters on which the parties agree from time to time.

12 CHARGES, PAYMENT AND BILLING

12.1 CHARGES AND PAYMENT FOR THE SERVICES

The Charges for the first Year of this Agreement shall be as set out in Schedule 2 and shall be payable in accordance with that Schedule.

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been Filed with the Securities and Exchange Commission separately.

12.2 INVOICES

12.2.1 Each invoice rendered by TxCo will be accompanied by the Billing Information set out in Schedule 2 and delivered in accordance with that Schedule.

12.2.2 Except as set out in Schedule 2, all correct Charges on an invoice submitted by TxCo under this Agreement will be payable by the BBC on the 15th day of the month following the date of TxCo's invoice (or, if later, the 15th day following receipt of the relevant invoice) (the "due date") (without any set-off, deductions or withholding other than as set out below) by cheque, or by such other method as may be agreed from time to time between the parties.

12.2.3 In the event that any Charges are disputed, the BBC shall be entitled to withhold any disputed amounts, provided the BBC shall have given reasonable notice to TxCo of the dispute relating to the Charges, together with reasonable written evidence to support the BBC's position. In the event that any Charges are withheld by reason of a dispute, TxCo and the BBC will both use their best endeavours to resolve any such disputed amount prior to the time of delivery of TxCo's next invoice.

12.3 INTEREST ON LATE PAYMENT

TxCo reserves the right to charge daily interest on outstanding amounts, including amounts disputed by the BBC but later agreed to, or found to be payable to TxCo, from the due date as defined in Clause 12.2.2 and until payment in full is received by TxCo at a rate equal to 2% above the Lloyds Bank Plc base lending rate as current from time to time, whether before or after judgment. Interest will continue to accrue on any unpaid amounts notwithstanding termination of this Agreement for any cause.

12.4 FAILURE TO MEET SERVICE OBLIGATIONS - SERVICE CREDITS

12.4.1 The amount of compensation payable by TxCo to the BBC for failing to comply with its obligations under this Agreement, including the Engineering Performance Standards, will be solely limited to Service Credits. TxCo shall not be liable to pay Service Credits to the BBC in any Year in excess of the Charges for the Year in respect of which the Charges were incurred. Service Credits shall not be payable in respect of DAB Services until the relevant Station has been Accepted by the BBC at which time there shall be no obligation to pay Service Credits in relation to such Station.

12.4.2 The Charges payable hereunder will be subject to Service Credits in respect of failure by TxCo to meet the Engineering Performance Standards, calculated by reference to the Performance Measures as set out in Schedule 10. Any Service Credits incurred will be set against the Charges payable under the first invoice rendered by TxCo following the end of the Year in which the obligation to give Service Credits is determined in accordance with Schedule 10.

12.4.3 Without prejudice to Clause 13.2.2, Service Credits will not be available to the BBC to the extent that the failure of TxCo to meet all or any part of the Engineering Performance Standards results directly from the BBC's act, fault or omission or from any Force Majeure Event.

12.4.4 If there is a total failure to transmit any of BBC 1, BBC 2, Radio 1 FM, Radio 2 FM, Radio 3 FM, Radio 4 FM, Radio 4 MF/LF, Radio 5 Live, DAB Services or Regional Broadcasting or to transmit the DF Transmitted Services altogether in circumstances where the failure to transmit is an Accountable Fault or Clause 3.1.2 is not the sole reason for such failure, rather than a partial failure to transmit any of the services listed above, for anything other than an immaterial period of time having regard to the nature of the relevant BBC service, then TxCo shall not be entitled to make any charge for the relevant service and, in addition, shall be required to pay to the BBC up to 100% of the cost to the BBC of obtaining the equivalent service elsewhere. The BBC shall not be entitled to obtain such services elsewhere if TxCo is able at any reasonable time to perform such services and undertakes to do so, subject to any rights of termination under Clause 13, and subject to a reasonable period following notice of TxCo's intention to re-commence performance of the Services. If TxCo pays any monies under this Clause, no Service Credits shall be payable in respect of the period of time for which there is a failure to perform compensated under this Clause.

12.5 CALCULATION OF SERVICE CREDITS

12.5.1 The BBC will be entitled to Service Credits in respect of the Performance Measure for each of BBC1, BBC2, Radio 1, Radio 2, Radio 3, Radio 4 FM, Radio 4MF, Radio 5 Live, DAB and Regional Radio and Local Radio in accordance with Schedule 10, subject to this Clause 12.

12.5.2 Service Credits shall be calculated as set out in Schedule 10, Part 1. They are intended to act as an incentive to TxCo to provide quality Services to the BBC.

13 TERMINATION

This Agreement may be terminated at any time by agreement between the parties.

13.1 THE SERVICES

13.1.1 GENERALLY

If no notice of termination is given within one (1) year of the expiry of the Term, this Agreement shall continue from year to year until terminated on one (1) year's written notice to expire at the end of any Year of this Agreement.

13.1.2 BY EITHER PARTY

Either party has the right to terminate this Agreement other than the Site Sharing Agreements, which Agreements shall be terminable in accordance with their terms, with immediate effect by notice in writing in the event that:

- (i) a liquidator, administrative receiver, administrator or receiver is appointed (other than for the purpose of an amalgamation or reconstruction the terms of which have been previously approved by the party having the right to terminate (such approval not to be unreasonably withheld or delayed in the case of a solvent amalgamation or reconstruction) in respect of the whole or a material part of the assets and/or undertaking of the other party; or
- (ii) the other party enters into an arrangement or composition with its creditors, or if it becomes unable to pay its debts within the meaning of Section 123 of the Insolvency Act 1986.

13.1.3 SUSPENSION/TERMINATION OF INDIVIDUAL SERVICES

- (i) TxCo may suspend provision of the Services in whole or in part until further notice on notifying the BBC either orally (confirming such notification in writing), or in writing with immediate effect if:
 - (a) TxCo is entitled to terminate this Agreement; or

- (b) TxCo is obliged to comply with an order, instruction or request of any Government minister, the Home Office, the Channel Islands authorities, an emergency services organisation or other competent administrative authority.
- (ii) if TxCo exercises its right of suspension in respect of an event referred to in Clause 13.1.3(i), this will not exclude TxCo's right to terminate this Agreement later in respect of that or any other event, nor will it prevent TxCo from claiming damages from the BBC resulting from such event if the BBC is in breach of this Agreement.
- (iii) Notwithstanding Clause 13.1.3(i)(b), it is acknowledged that, in the event of an emergency, the respective obligations of the BBC and TxCo will be governed by special arrangements under the relevant Emergency Powers and TxCo agrees that it will not suspend service to the BBC other than on the instructions of the relevant authorities in the event of an emergency.

13.2 FORCE MAJEURE

13.2.1 In the event of the occurrence of a Force Majeure Event affecting either TxCo or the BBC, the affected party shall give notice in writing thereof to the other party as soon as possible and shall likewise give notice on the cessation of the Force Majeure Event. The parties agree to discuss a course of action and to comply with any agreed course of action pursuant to Clause 13.2.2. Subject thereto, if the Force Majeure Event continues for a period of more than 60 days following a failure to either agree a course of action under Clause 13.2.2 or to comply with such a course of action, then the non-defaulting party shall have the right to terminate either:

- (i) subject to Clause 13.3 below, in the case of any affected Deferred Facilities, the Site Sharing Agreement (if any) for the Station so affected by 30 days' written notice; or
- (ii) the provision of the Services or any of the Services from the Station so affected by 30 days' written notice; or
- (iii) where the Force Majeure Event affects all or substantially the whole of the Stations comprised in all or part of this Agreement, terminate all or that part of this Agreement, in the case of (i) or (ii) above upon giving 30 days' written notice of such termination to the other party and in the case of this paragraph giving to the other not less than 90 days' prior written notice.

13.2.2 Where a Force Majeure Event occurs, other than one affecting delivery of the BBC's Programmes to TxCo for transmission which causes suspension of the Services, the BBC and TxCo shall discuss and agree on the most appropriate course of action to be taken for a resumption of the Services and/or the provision of a temporary service and the timescale within which such action is to be taken. If, having agreed a timescale for the resumption of any Service, TxCo shall fail to comply with that timescale not having agreed any extension of time, then the BBC shall be entitled to serve notice on TxCo requiring that, unless the Services are resumed within a period of seven working days for a non-Priority Station and three working days for a Priority Station from the deemed date of delivery of the notice (ascertained in accordance with Clause 22), then the BBC shall be entitled to receive Service Credits for the Charges for that Station from the end of the seven day or three day period referred to above to the date on which the Services are resumed or a temporary service provided.

13.3 EMERGENCY SERVICES

To the extent that any Force Majeure Event relates to the provision of either the Emergency Services, compliance with a direction under Section 94 of the Telecoms Act or activation of the Deferred Facilities, the provision of this Agreement relating to such Services shall prevail and Clause 13.2 shall not take effect if it would only have taken effect by reason of events giving rise to the need for TxCo to perform the Emergency Services, in accordance with the relevant direction or activation of the Deferred Facilities.

13.4 TERMINATION FOR BREACH

Either party will have the right to terminate this Agreement, without prejudice to its other rights and remedies, by notice in writing taking effect 30 days after the date of the notice, in the event that the other party is in material breach of this Agreement, and, in the case of a breach which is material or could amount to a material breach if not remedied and which, in either case, is remediable, fails to remedy the breach within a reasonable time (being not less than 60 days) specified in the written notice to either TxCo and to any person to whom TxCo has assigned the benefit of this Agreement in accordance with Clause 17.1 or to the BBC, as appropriate, requesting the breach to be remedied.

13.5 TERMINATION ON CHANGE OF CONTROL

13.5.1 The BBC will be entitled to terminate this Agreement if:

- (i) there is a Change of Control of a Relevant Company other than on:
 - (a) the disposal of TxCo pursuant to the Proposed Sale Agreement;
 - (b) a transfer of Shares between an existing shareholder in a Relevant Company and an Associate of such shareholder; or
 - (c) the creation of a mortgage, charge, encumbrance or security interest over or in respect of any Shares of a Relevant Company;
- (ii) either of CTC or TDF or any Associate of either of them breaches any of the undertakings contained in Clause 3 of the Commitment Agreement;
- (iii) at any time before Listing there is a disposal of any Shares in a Relevant Company to any UK broadcast transmission operator.

13.5.2 TxCo shall notify the BBC as soon as possible after it or any Relevant Company becomes aware of any Change of Control of a Relevant Company, or of any potential Change of Control or in other circumstances which would or might give rise to a termination right under this Clause 13.5.

13.5.3 The BBC agrees that it will only exercise its right to terminate pursuant to a Change of Control which arises in the circumstances set out in paragraph (i) (a) or (iii) of the definition of Change of Control if it reasonably considers that the event giving rise to such right is contrary to the BBC's corporate interests and/or those of Her Majesty's Government and the BBC agrees that any notice of termination (regardless of the period of notice set out in such notice) will be given by the BBC within one month of receipt of notice of the relevant event. The BBC agrees to consider in good faith any request for the sale of any Relevant Company's Shares or any other arrangement which might otherwise give rise to such a termination right, having regard to the reasonable interests of the BBC, TDF and CTC, and each Relevant Company and those of Her Majesty's Government.

13.5.4 For the purposes of this Clause 13.5:

"Acting in Concert" has the meaning given to it in The City Code on Takeovers and Mergers;

"Associate" means, in relation to a person, (a) a subsidiary or holding company (as those terms are defined by Section 736 of the Companies Act 1985) of that person or a subsidiary of that person's holding company (a "Group Company"); or (b) any limited partnership, the general partner of which is a Group Company; (c) any limited partner in any limited partnership, the general partner of which is a Group Company; (d) any fund managed or advised by a Group Company; (e) any employee of such person or any Group Company; (f) who is a partnership, that party's constituent partners, and (g) in the case of Berkshire, Berkshire Fund IV, a limited partnership;

"Berkshire" means Berkshire Fund IV Investment Corp;

"Candover" means Candover Investments plc;

"Completion" means completion of the sale to Castle Transmission Services (Holdings) Limited (formerly Dichold Limited) of the whole of the issued share capital of TxCo pursuant to the Proposed Sale Agreement;

"Commitment Agreement" means the agreement of even date between the BBC, CTC, TeleDiffusion de France SA and TDF as amended from time to time and as supplemented by any deed of adherence to such agreement;

"Control" has the meaning given to it in Schedule 2, Part 1 paragraph (3)(b) of the Broadcasting Act 1990, as amended by the 1996 Act; and "Controlled" has a corresponding meaning;

"Change of Control" means in relation to a Relevant Company:

- (i) before a Listing, where a Third Party acquires, obtains in any manner or in any circumstances comes to hold:
 - (a) Control of a Relevant Company;
 - (b) a Relevant interest in a Relevant Company's Share capital; or
 - (c) such Interest in the Relevant Company's Share capital as would, when taken with those already held by such Third Party or by any Associate of, or person Controlled by or Acting in Concert with, such Third Party, amount to a Relevant Interest,

PROVIDED THAT for the purposes of (a), (b), and (c) above, any interest held by CTC or TDF or persons Acting in Concert with CTC or TDF or any of their prospective Associates prior to the relevant circumstances shall be disregarded for the purpose of determining whether a Relevant Interest or Control has been acquired, obtained or is held;

- (ii) on or alter a Listing, where a Third Party acquires, obtains in any manner or in any circumstances comes to hold:
 - (a) a Relevant Interest in a Relevant Company's Share capital; or
 - (b) such Interest in the Relevant Company's Share capital as would, when taken with those already held by such Third Party or by any Associate of, or person Controlled by or Acting in Concert with, such Third Party, amount to a Relevant Interest;
- (iii) on or after a listing, a Third Party, by itself or together with any persons Acting in Concert with it, obtaining in any manner or in any circumstances coming to hold an Interest in 25% or more of the Shares of a Relevant Company and Control of the Relevant Company,

PROVIDED THAT any scheme of arrangement for the purpose of reconstruction or reorganisation of the assets of a Relevant Company shall not, without further alteration in Control, constitute a Change of Control;

"CTC" means Castle Tower Holding Corporation;

"Interest" means, in relation to the Shares of a Relevant Company, any legal or beneficial interest in them or any right or power (whether conditional or unconditional and whether legally enforceable or otherwise) to exercise control (directly or indirectly) over the disposal of those Shares or over the manner of exercise of any right to vote in a general meeting attached to such Shares;

"Indirect Interest" means, where a company ("A") has an interest (directly or through one or more intermediate companies) in the Shares of a company ("B") which, in turn, has an interest in the Shares of another company ("C") (in which A is not directly interested), B's percentage interest in the Shares of C multiplied by such percentages

as represent each of the percentage interests in the Shares of B held directly by A or through one or more intermediate companies in which A has an Indirect Interest.

"Listing" means the first listing of any of the Shares of any Relevant Company on any stock exchange or public dealings facility and "listed" shall be construed accordingly;

"Relevant Interest" means, in relation to any Shares of a Relevant Company:

- (i) on or after a Listing an Interest in 30 per cent or more of the Relevant Company's Shares; or
- (ii) at any time before a Listing, any Interest (other than any Interest of Candover or Berkshire or any of their respective Associates) which taken together with any other direct Interest or Indirect Interest in the Shares of CTS exceeds the combined Indirect Interest of TDF and CTC in the Shares of CTS at that time;

"Relevant Company" means TxCo or any holding company (as that term is defined by Section 736 of the Companies Act 1985) of TxCo;

"Relevant Person" means, in relation to a Relevant Company, any person or any one of two or more persons Acting in Concert who have Control of the Relevant Company;

"Shares" means, in relation to a Relevant Company, the shares in the relevant share capital (as that expression is defined in Section 198(2) of the Companies Act 1985) of that Relevant Company and shall include any shares which have been allotted (whether conditionally or unconditionally);

"TDF" means TeleDiffusion de France International; and

"Third Party" means any person other than a Relevant Person or an Associate of a Relevant Person.

13.6 CONSEQUENCES OF TERMINATION

Upon termination of this Agreement for any reason the BBC will:

- 13.6.1 immediately cease to make use, and shall procure that any Affiliate immediately ceases to make use, of the Services; and
- 13.6.2 immediately cease to make use, and shall procure that any Affiliate immediately ceases to make use, of the TxCo Equipment.

13.7 DETAILS OF EMPLOYEES

Six months before the termination or assignment of this Agreement, or if the Agreement is terminated without notice for any reason as soon as reasonably practicable, but in either case if requested to do so by the BBC where there is a reasonable prospect that the Transfer Regulations will apply to transfer the contracts of employment of some or all of the Employees upon such termination or assignment of this Agreement, TxCo will provide, and will procure that any Relevant Employers will provide, to the BBC, or at the BBC's request to the Successor Operator, the following particulars of the Employees employed as at that date to the extent permitted by law:

13.7.1 name, sex and the date on which continuity of employment began for each Employee for statutory purposes;

13.7.2 the terms and conditions of employment of each such Employee;

13.7.3 all payments, benefits or changes to terms and conditions of employment promised to any such Employee;

together with particulars of:

13.7.4 dismissals of any other Employees or terminations of employment effected within 12 months of the Transfer Date;

13.7.5 all agreements or arrangements entered into in relation to any such Employee between TxCo or any other Relevant Employer and any trade union or association of trade unions or organisation or body of employees including elected representatives; and

13.7.6 all strikes or other material industrial action taken by any such Employee within 12 months of the Transfer Date.

13.8 TRANSFER REGULATIONS

13.8.1 On termination of this Agreement the Transfer Regulations may transfer the Relevant Employees to the BBC or the Successor Operator. If the Transfer Regulations have effect the following provisions shall apply:

- (i) the contract of employment of each of the Relevant Employees (save insofar as such contract relates to any occupational pension scheme) shall be transferred to

the BBC or, as the case may be, the Successor Operator with effect from the Transfer Date which shall be the "time of transfer" under the Transfer Regulations;

- (ii) TxCo shall perform and discharge all its obligations in respect of all the Relevant Employees for its own account up to and including the Transfer Date including, without limitation, discharging all wages and salaries of the Relevant Employees, all employer's contributions to any relevant occupational pension scheme and all other costs and expenses related to their employment (including, without limitation, any taxation, accrued holiday pay, accrued bonus, commission or other sums payable in respect of service prior to the close of business on the Transfer Date) and shall indemnify the Successor Operator and keep the Successor Operator indemnified against each and every action, proceeding, liability (including, without limitation, any taxation liability directly related to the Relevant Employees), cost, claim, expense (including, without limitation, reasonable legal fees) or demand arising from, TxCo's failure so to perform and discharge. The BBC shall, or, as the case may be, shall procure that the Successor Operator shall perform and discharge all its obligations from the Transfer Date;
- (iii) TxCo shall indemnify the Successor Operator (on an after-tax basis) and keep the Successor Operator so indemnified against each and every action, proceeding, cost, claim, liability (including, without limitation, any taxation liability directly related to the Relevant Employees), expense (including, without limitation, reasonable legal fees) or demand which relates to or arises out of any act or omission by TxCo or any other event or occurrence prior to the Transfer Date and which the Successor Operator may incur in relation to any contract of employment or collective agreement concerning one or more of the Relevant Employees pursuant to the provisions of the Transfer Regulations or otherwise including, without limitation, any such matter relating to or arising out of:
 - (a) TxCo's rights, powers, duties and/or liabilities (including, without limitation, any taxation) under or by virtue of any such contract of employment or collective agreement, which rights, powers, duties and/or liabilities (as the case may be) are or will be transferred to the Successor Operator in accordance with the Transfer Regulations; or

- (b) anything done or omitted before the Transfer Date by or in relation to TxCo in respect of any such contract of employment or collective agreement or any Relevant Employee, which is deemed by the Transfer Regulations to have been done or omitted by or in relation to the Successor Operator;
- (iv) if any contract of employment or collective agreement which is not in accordance with Clause 13.7 above disclosed in writing to the BBC, or at its request to the Successor Operator, by TxCo prior to the Transfer Date shall have effect as if originally made between the Successor Operator and any employee ("Undisclosed Employee") or a trade union as a result of the provisions of the Transfer Regulations (without prejudice to any other right or remedy which may be available to the Successor Operator):
 - (a) the Successor Operator may, upon becoming aware of the application of the Transfer Regulations to any such contract of employment or collective agreement and in any event within 3 months of the Transfer Date, terminate such contract or agreement forthwith, and TxCo shall indemnify the Successor Operator (on an after-tax basis) in respect of any Undisclosed Employee so dismissed on the same terms mutatis mutandis as TxCo has indemnified the Successor Operator in respect of a Relevant Employee pursuant to the terms of Clause 13.8.1 (ii) and 13.8.1 (iii); and
 - (b) TxCo shall indemnify the Successor Operator (on an after-tax basis) against each and every action, proceeding, cost, claim, liability (including, without limitation, reasonable legal fees) or demand relating to or arising out of such termination and reimburse the Successor Operator for all costs and expenses (including, without limitation, any taxation) incurred in employing such employee in respect of his employment following the Transfer Date provided that if, within 3 months of the Transfer Date, the Operator has not dismissed such Undisclosed Employee, such Undisclosed Employee shall be deemed for all purposes of this Agreement to be and at all relevant times to have been a Relevant Employee and so that this Clause 13.8.1 (iv) shall not apply in respect of such Undisclosed Employee; and
- (v) TxCo shall indemnify the Successor Operator (on an after-tax basis) and keep the Successor Operator so indemnified against each and every action, proceeding,

cost, claim, liability (including, without limitation, any taxation), expense (including, without limitation, reasonable legal fees) or demand which relates to or arises out of any dismissal (including, without limitation, constructive dismissal) by TxCo of any employee (not being a Relevant Employee) which the Successor Operator may incur pursuant to the provisions of the Transfer Regulations.

- 13.8.2 If TxCo assigns this Agreement to the TxCo Assignee, or sub-contracts its obligations under this Agreement in respect of all or part of the Services to any firm, person or company (the "TxCo Sub-Contractor"), TxCo shall procure that the TxCo Assignee or, as the case may be, the TxCo Sub-Contractor will indemnify the Successor Operator in the same terms, mutatis mutandis, as TxCo has indemnified the Successor Operator in Clause 13.8.1.
- 13.8.3 In Clause 13.8.1 the undertakings and indemnities given by TxCo to the Successor Operator shall be given to the BBC for itself and as trustee for any BBC Assignee or the Successor Operator.

14 THIRD PARTY SERVICES

- 14.1 Nothing in this Agreement shall prevent or interfere with any existing arrangements made by TxCo to transmit programmes or other broadcast and non-broadcast signals made by or on behalf of third parties or to provide telecommunication services to any third parties from any of the Stations during the term of this Agreement or from entering into any new arrangements with any third parties to provide broadcasting, transmission and/or any other telecommunications services from the Stations provided that such new arrangements shall not detrimentally affect the existing contracted provision of the Services to the BBC and further provided that TxCo agrees not to use the frequencies set out in Annex A other than for performance of the Transmission Services unless the BBC consents to such use or as TxCo is contractually bound to do at the date hereof.
- 14.2 For the avoidance of doubt the parties hereto agree and confirm that any exercise by TxCo of its rights described in Clause 14.1 hereof shall not affect or otherwise entitle the BBC to require any reduction or other adjustment to the Charges payable under this Agreement at any time during the Term other than as set out in Clause 10.1 above.

15 WARRANTIES AND UNDERTAKINGS

- 15.1 TxCo hereby warrants and undertakes that it holds and will continue to hold during the Term all necessary licences and consents under the Telecoms Act and the WTA and all consents and clearances of whatever nature as is required to enable it to perform its obligations under this Agreement and shall comply with the terms of all such licences and consents and shall not do anything or omit to do anything which would cause such licences or consents to be revoked or not renewed.
- 15.2 The BBC shall obtain at its own expense and hold during the currency of this Agreement all necessary licences and consents under the Charter and Agreement, the Broadcasting Act, the 1996 Act, the WTA (which, for the avoidance of doubt will not include a broadcasting services licence under the WTA) and all consents, clearances and other rights of whatsoever nature which are required to permit the BBC to perform its obligations under this Agreement and otherwise and shall do all things necessary to comply with the terms of such licences and consents and shall not do anything or omit to do anything which would cause such licences and consents to be revoked or not renewed.
- 15.3 TxCo shall do all things necessary to renew any leases or licences for the Sites on which the Stations identified in the list contained in Annex 1 or any substituted list inserted therein are located, so that they subsist for the duration of this Agreement or any agreed renewal of the same, provided that (subject to Clause 5.1 above) TxCo shall not be required to renew such leases or licences on other than reasonable terms.

16 LIABILITY AND INSURANCE

- 16.1 Both parties agree to maintain insurance against any loss, damages, claims or actions arising from:
- 16.1.1 personal injury or death;
 - 16.1.2 public liability; and/or
 - 16.1.3 any other liability for which either is required by law to insure,
- arising out of the performance of this Agreement, the Site Sharing Agreements, R&D Services Agreement, the Computer Services Agreement, the General Services Agreement, the Teleswitching Agreement or the Telecommunications Agreement (collectively, the "Contracts") or

the ownership or occupation of the BBC Sites or the TxCo Sites. Where TxCo engages a subcontractor, it shall ensure that its insurance includes cover for its liabilities in respect of the acts and omissions of its sub-contractors or that its sub-contractors have their own insurance with appropriate cover in the light of the work to be undertaken by the sub-contractors. TxCo agrees to maintain insurance cover adequate to cover the risks which it is likely to incur, with a minimum of primary public and products liability insurance in a form reasonably acceptable to the BBC providing for payment of a sum up to (Pounds)50 million for any one occurrence (or in the annual aggregate for products liability) and, in the case of third party property damage arising out of the use of private vehicles, unlimited cover and, in the case of third party property damage, arising out of the use of commercial vehicles, (Pounds)5 million in respect of one occurrence, and employers liability insurance sufficient to meet its statutory requirements and sufficient to cover any liabilities to past or present employees under the Transfer Scheme. As at the Commencement Date the BBC confirms that it has been informed of TxCo's insurance cover and considers it reasonable.

- 16.2 TxCo shall additionally effect and maintain all risks or loss or damage to property and business interruption insurance in a form reasonably acceptable to the BBC in respect of each of the Stations, DF Assets, the TxCo Sites and all TxCo Equipment used to provide the Services covering the full re-instatement value of all such assets and the reasonable cost of any replacement Transmission Services from the Stations or any other stations used to supply any part of the Transmission Services.
- 16.3 Subject to Clauses 16.1 and 16.2 above, each of the BBC and TxCo shall indemnify the other on an after-tax basis against all claims or actions brought against the other by any third party for personal injury or loss of, or damage to, property or any other loss occasioned by Interference or denial of access caused as a result of any wilful or negligent act or wilful or negligent omission by the party from whom indemnification is sought (including but not limited to the performance of any operations or the provision of services or of equipment). The party from whom indemnification is sought shall have the right to conduct or settle any proceedings brought by a third party against the other party or subject to reimbursing the other party any costs of such proceedings and any damages, costs and expenses payable by the indemnified party arising out of those proceedings. Both parties will notify the other as soon as possible of the existence of a claim which is reasonably likely to give rise to a claim for indemnification under this Clause.

- 16.4 Subject to Clauses 16.1 and 16.3 above, each of the BBC and TxCo will indemnify the other on an after-tax basis against any loss incurred by the relevant party resulting from damage to that party's property or injury to its employees or the employees of its agents or sub-contractors arising out of any breach of any of its obligations, warranties or undertakings contained in any of the Contracts or any other agreements between the parties or any other negligent or wilful act or omission of the party from whom an indemnity is sought. The party from whom indemnification is sought shall have the right to conduct any proceedings brought by a third party against the other party or to settle any such proceedings subject to reimbursing the other party any costs of such proceedings and any damages, costs and expenses payable by the indemnified party arising out of those proceedings.
- 16.5 Neither TxCo nor the BBC shall be held responsible for the consequences of any act or omission or misconduct of any third party, unless:
- 16.5.1 such third parties are in the employment of or providing sub-contracted services to either TxCo or the BBC at the time the incident takes place; or
- 16.5.2 the party claimed against has recovered damages in respect of such act, omission or misconduct directly from the relevant third party or otherwise where it has recovered insurance (and in each such case to the extent of such recovery or insurance claim) provided that where such party is entitled to claim damages and/or recover under such insurance policy it shall use all reasonable endeavours to do so as soon as reasonably practicable, in which circumstances the provisions of Clauses 16.3 and 16.4 above shall apply.
- 16.6 TxCo shall not be liable to the BBC for loss of profits or for any indirect, special, incidental or consequential loss whatsoever arising out of its performance of or failure to perform any of the Contracts or otherwise. For the avoidance of doubt, TxCo is liable to pay to the BBC any Service Credits payable in accordance with Schedule 10, subject to the provisions of Clause 12.
- 16.7 The BBC shall not be liable to TxCo for loss of profits or for any indirect, special, incidental or consequential loss whatsoever arising out of its performance of or failure to perform any of the Contracts or otherwise provided that this Clause is not intended to operate nor shall it operate to deprive TxCo of damages comprising the direct profit and any other direct losses which it would otherwise have recovered from the BBC for breach of any of the Contracts.

- 16.8 TxCo agrees to maintain insurance covering professional indemnity of at least ,5 million per year, commensurate with the nature of the risks undertaken in that year, including all risks assumed under the General Services Agreement.
- 16.9 Without prejudice to Clause 16.6, TxCo's aggregate liability in any one Year to the BBC for any loss suffered by the BBC and caused or contributed to by TxCo shall not exceed [*].
- 16.10 In the event of loss or damage to any of the BBC DF caused by the negligence or wilful act of any employee or agent or subcontractor of TxCo, TxCo may (without prejudice to the BBC's other rights and remedies), at its own expense and as soon as practicable, and recognising that time is of the essence, either restore such BBC DF substantially to the condition that they were in immediately before such damage, or, at its own election, replace such of the damaged BBC DF with equipment in a condition similar to or better than that of the BBC DF immediately before such loss or damage.
- 16.11 Neither party excludes or restricts liability for death or personal injury resulting from its own negligence or from liability arising under the Health and Safety at Work Act 1974 or any regulations made pursuant to that Act.
- 16.12 Save to the extent that monies are recovered via any third party insurance policy or policies effected by third party contractors, no liability under this Agreement shall attach to TxCo, its employees or contractors in respect of the performance, safety or suitability for its purpose of any of the BBC DF except where the installation of the same was supervised or carried out by, or on behalf of, TxCo and except insofar as TxCo is in breach of its maintenance obligations as set out in Schedule 9.
- 16.13 The BBC shall be legally responsible for insuring or procuring the insurance of the BBC DF (insofar as it is able) against fire and such other usual commercial risks as the BBC may reasonably decide for full replacement cost and for the purposes of any third party claim for the duration of this Agreement.
- 16.14 Where requested by the BBC, TxCo agrees to provide the BBC with a copy of the relevant policy or policies or evidence of such insurance and its material terms referred to in this Clause 16,

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been Filed with the Securities and Exchange Commission separately.

which shall be treated by the BBC as confidential information belonging to TxCo. TxCo will also notify the BBC of any substantive chance to the insurance programme maintained by it and referred to in this Clause 16 or the risks covered.

- 16.15 Subject to Clause 16.1 above, the BBC's liability for all matters under the Contracts, other than for payment of the Charges under this Agreement and any charges under any other of the Contracts or in respect of the repudiatory breach of any of the Contracts, shall be limited to [*].
- 16.16 This Agreement sets out the full extent of each party's obligations and liabilities relating to the Services whether in contract, tort, negligence, breach of statutory duty or otherwise. In particular, there are no conditions, warranties or other terms, express or implied, as to satisfactory quality, fitness for purpose or of any other kind whatsoever that are binding on TxCo except as specifically set out in this Agreement. Any other condition, warranty or other term relating to the provision of the Services which might otherwise have been implied into this Agreement by statute, common law or otherwise is hereby excluded.
- 16.17 TxCo shall discuss and comply, where any BBC disaster recovery plan covers the Services or any part of the Services, with the BBC disaster recovery plan or any other emergency procedures which may be developed from time to time and notified to TxCo by the BBC, and develop, test and use its own disaster recovery Plan or other emergency procedures, to ensure that the provision of the Services to the BBC are sustained to TxCo's best ability in the event of any disaster or emergency. The BBC will reimburse TxCo for any reasonable additional costs incurred by TxCo at the request of the BBC in complying with, or testing, the BBC disaster recovery plan or any other emergency procedures.

17 ASSIGNMENT AND SUB-CONTRACTING

- 17.1 This Agreement is personal to the parties hereto and they shall not assign, transfer, charge or deal in any other manner with this Agreement other than as expressly set out below except that TxCo shall be entitled to assign its rights to payments under this Agreement by way of security to any person providing finance to it or its holding company(ies).

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- 17.2 Each of TxCo and the BBC shall be entitled to transfer this Agreement to any of its wholly owned subsidiaries provided that:
- 17.2.1 each party procures that the transferee is bound by a direct covenant with the other party to observe all the terms of this Agreement and the covenants and obligations by the transferor contained in the Site Sharing Agreements and this Agreement; and
- 17.2.2 if any transferee ceases to be a wholly owned subsidiary of either the BBC or TxCo, as the case may be, this Agreement will be transferred back to TxCo or the BBC, or to one of their wholly owned subsidiaries.

18 FORCE MAJEURE

- 18.1 Neither party shall be liable to the other for any failure to perform its obligations hereunder which shall be caused by a Force Majeure Event, except to the extent that the Force Majeure Event requires performance of any of the Emergency Services or the DF Transmitted Services and except that the Force Majeure Event shall not excuse payment by the BBC of any of the charges for Services received.
- 18.2 Subject to Clause 18.1 above and without prejudice to its rights under Clause 13.2 above, TxCo shall nevertheless use its reasonable endeavours to carry cut the Services while the Force Majeure Event subsists.

19 AMENDMENTS TO THIS AGREEMENT

No amendment to this Agreement shall be effective unless it is in writing and signed by the BBC's Director of Policy and Planning and the TxCo Representative on behalf of both parties.

20 INFORMATION AND CONFIDENTIALITY

- 20.1 The BBC will as soon as possible provide TxCo (free of charge) with all such information and cooperation that TxCo may reasonably require in accordance with any agreements for the sharing of services, including under the R&D Services Agreement and the Telecommunications Agreement, and which the BBC is able to provide from time to time to enable TxCo to perform its obligations under this Agreement.
- 20.2 Subject to the terms of any other agreement between the parties, each party agrees and undertakes that during the term of this Agreement, and thereafter, it will keep confidential and will

not use for its own purposes or, without the prior written consent of the other, disclose to any third party the terms of this Agreement or any information of a confidential nature which is supplied to it under this Agreement or of which it becomes aware in the performance of this Agreement unless:

- 20.2.1 such information is required to be disclosed to TxCo's bankers, TxCo's holding company and any shareholders of its holding company (subject in each case to such companies or individuals agreeing that the information shall be confidential in terms substantially similar to this Clause 20.2); or
 - 20.2.2 such information is public knowledge, or subsequently becomes public knowledge, other than by breach of this Agreement; or
 - 20.2.3 such information subsequently comes lawfully into the possession of the party in question from a third party; or
 - 20.2.4 the disclosure of such information is required by any court of competent jurisdiction or any regulatory authority, including any recognised stock exchange or any taxation authority.
- 20.3 To the extent that it is necessary to disclose confidential information pursuant to the provisions of this Clause 20 or otherwise as necessary to implement the provisions of this Agreement, either party may disclose any confidential information concerning this Agreement, including any information contained in the Annexes hereof, to such, of its employees or, in the case of the BBC, to such of the BBC's Nominated Contractor(s) as may be reasonably necessary on a "need-to-know basis", provided that before any such disclosure such party shall make such persons aware of its obligations of confidentiality under this Agreement and shall at all times procure compliance by such persons therewith.
- 20.4 The obligations of confidentiality hereunder shall not apply to prevent the supply of confidential information to the Department of National Heritage, the Home Office, the Cabinet Office, the Foreign and Commonwealth Office, the Office of Fair Trading, the Radiocommunications Agency, the Department for Trade and Industry, the Radio Authority, the Independent Television Commission, the Office of Telecommunications or such other similar regulatory body.

21 INTELLECTUAL PROPERTY RIGHTS

- 21.1 If, in the course of or as a result of any Services provided by TxCo to the BBC, any of TxCo's employees or agents create any document or other material protected by copyright or other intellectual property right, it is agreed that all legal and beneficial rights in it will be owned by TxCo and the BBC will have no rights in it beyond a non-exclusive licence to make copies for internal use of any document or other material necessary for the purpose of making use of the Services provided that where such material consists of software the BBC will maintain not more than one backup copy or reproduction of the software and will ensure that such copies are kept in a locked cabinet at all times when not in use and do not pass outside the BBC's control. The BBC's Representative will sign any assignment or other instrument which may be reasonably necessary to give effect to this provision.
- 21.2 If, as a result of any assistance provided by the BBC to TxCo under this Agreement, any of the BBC's employees or agents create any document or other material protected by copyright or other intellectual property right, it is agreed that all legal and beneficial rights in it will be owned by the BBC and TxCo will have no rights in it beyond a non-exclusive licence to make copies for internal use of any document or other material necessary for the purpose of providing the Services provided that where such material consists of software TxCo will maintain not more than one backup copy or reproduction of the software and will ensure that such copies are kept in a locked cabinet at all times when not in use and do not pass outside TxCo's control. The TxCo Representative will sign any assignment or other instrument which may be reasonably necessary to give effect to this provision.
- 21.3 In the event that during the performance of their respective obligations under this Agreement any employees or agents of the BBC and TxCo jointly create any document or other material protected by copyright or other intellectual property right, BBC and TxCo will negotiate in good faith to agree the terms and conditions of ownership of all the legal and beneficial rights in and use of it.
- 21.4 Without prejudice to Clause 4.3.3, the BBC will, subject to a limit on its liability of [*] in respect of any one such claim or related series of claims or [*] for all such claims arising in any jurisdiction in any 12 month period, indemnify TxCo against any claims, proceedings and expenses arising from infringement (or alleged infringement) of any patent, design, copyright or other intellectual property right by reason of:

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been Filed with the Securities and Exchange Commission separately.

- 21.4.1 work carried out by TXCO, its agents or employees in accordance with directions or specifications given by the BBC where and to the extent that such infringement (or alleged infringement) results only from any negligent act or default of the BBC or where the BBC does not inform TxCo of any limitation on the use of such intellectual property right;
 - 21.4.2 the connection of any BBC DF to the Transmission Network or the use of any BBC DF in conjunction with the Transmission Network where, in either case, the infringement is attributable solely to the connection or use of BBC DF; or
 - 21.4.3 the connection of the MBN Core Network and other BBC Equipment to the Transmission Network where, in any case, the infringement is attributable to the connection, use or maintenance of BBC Equipment or the equipment comprised in the MBN Core Network.
- 21.5 TxCo will, subject to a limit on its liability of [*] in respect of any one such claim or related series of claims or [*] for all such claims arising in any jurisdiction in any 12 month period, indemnify the BBC on an after-tax basis against any claims, proceedings and expenses arising in any jurisdiction from infringement (or alleged infringement) of any patent, design, copyright or other intellectual property right arising from the connection of any TxCo Equipment to the BBC DF or the BBC's use thereof in conjunction with the Transmission Network where in either case the infringement is attributable solely to the connection or use of TxCo Equipment.
- 21.6 In respect of the indemnities given by each party in this Clause 21, the party entitled to claim under the indemnity (the "indemnified") will notify the other party (the "indemnifier") within seven days in writing of any allegation of infringement and the indemnified:
- 21.6.1 will make no admission relating to the infringement;
 - 21.6.2 will allow the indemnifier full discretion to conduct or settle all negotiations and proceedings, subject to receiving reasonable security for costs and damages; and
 - 21.6.3 will give the indemnifier all reasonable assistance in respect thereof.
- 21.7 Both parties will endeavour not to interfere with or otherwise jeopardise the intellectual property rights of the other.

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been Filed with the Securities and Exchange Commission separately.

22.1 TERMS OF EMPLOYMENT OF EXISTING EMPLOYEES

TxCo shall not, and shall procure that any other Relevant Employer shall not, without the prior consent of the BBC (which shall not be unreasonably withheld or delayed), vary, or purport or promise to vary, the terms or conditions (as amended from time to time) of employment of any Employee (including a promise to make any additional payment or provide any additional benefit) where such variation or addition:

- 22.1.1 takes effect at any time after either party has served notice pursuant to Clause 2.2 of this Agreement unless it is in the ordinary course of business and, when aggregated with any other variation or addition which takes effect during such period, represents an increase in the remuneration of the Employee of no more than the percentage increase in the level of the Average Earnings Index between the month for which such index was last Published at the time the variation or addition is made or proposed and the month falling 12 months before such month; or
- 22.1.2 first takes effect in whole or in part after this Agreement has terminated; or
- 22.1.3 results in any such employment not being terminable by the Relevant Employer within six months after the Agreement has terminated; or
- 22.1.4 relates to a payment or the provision of a material benefit triggered by termination of employment after the Agreement has terminated, or
- 22.1.5 relates to the provision of a benefit (but excluding base salary) which takes effect at any time after either party has served notice pursuant to Clause 2.2 of this Agreement or which any such Employee will or may have a contractual right to first receive after the Agreement has terminated; or
- 22.1.6 prevents, restricts or hinders any such Employee after the Agreement has terminated from working for the BBC or the Successor Operator or from performing the duties such Employee performed for TxCo.

22.2 CHANGES IN NUMBERS AND TOTAL COST OF EMPLOYEES

Subject to and excluding any increase in the remuneration of Employees permitted under Clause 22.1, TxCo shall not, and shall procure that any other Relevant Employer shall not, without the prior consent of the BBC (which shall not be unreasonably withheld or delayed), increase or

decrease at any time after either party has served notice pursuant to Clause 2.2 the number of Employees either such that the total number of Employees or the total cost per annum to TxCo and each other Relevant Employer of employing all Employees is increased or such that the total number of Employees is decreased, in each case, by more than 5 per cent during any period of 12 months.

23 NOTICES

23.1 Any notice to be served by either party shall be in writing and shall be sent to the following addresses:

TxCo Chief Executive Officer
Castle Transmission Services Ltd
Warwick Technology Park
Heathcote Lane
Warwick CV34 5DS
Fax No: 01926 416441.

BBC Director of Policy and Planning
British Broadcasting Corporation
Broadcasting House
London W1A 1AA
Fax No: 0171 436 0393

23.2 Any notice, invoice or other document which may be given by either party under this Agreement will be deemed to have been duly given if left at or sent by post (whether by letter or, where the parties agree in writing, in any other form) or facsimile transmission to the address set out above or to any other address notified to each other in writing in accordance with this Clause as an address to which notices, invoices and other documents may be sent. Any such communication will be deemed to have been made to the other party:

23.2.1 if sent by hand, when delivered;

23.2.2 if sent by post, 72 hours after the envelope containing such notice was posted; or

23.2.3 if sent by facsimile, when the transmission of the facsimile is confirmed delivered complete, if delivered on a business day, or, if not, at 9.30 a.m. (British Standard Time) on the next business day.

For the purposes of this Clause, "business day" means 9 a.m. to 5 p.m. Monday to Friday every week of the year except for English public holidays, It is further agreed that notices sent by facsimile will also be confirmed by sending a signed copy by post, the copy to be posted within 24 hours of sending the facsimile.

24 NON-SOLICITATION

Neither the BBC nor TxCo shall solicit or endeavour in any way to solicit the services of or offer employment or engage any employee of the other involved in the provision or monitoring of the Services or the services provided under the R&D Services Agreement while, engaged, or within 12 months of his ceasing to be engaged, in carrying out any obligations under this Agreement without the prior written consent of the other. This prohibition shall not prevent either party advertising for staff in the national, local or industry press, or, whilst TxCo remains a subsidiary of the BBC, recruiting or endeavouring to recruit staff in accordance with the internal recruitment procedures of the BBC. If any BBC or TxCo employee responds to such advertisement or in accordance with the relevant BBC internal recruitment procedure, the relevant party can, if it wishes, employ such person.

25 RESTRICTIVE TRADE PRACTICES

Notwithstanding any other provision of this Agreement, no provision of this Agreement which is of such a nature as to make this Agreement liable to registration under the Restrictive Trade Practices Act 1976 shall take effect until the day after that on which particulars thereof have been duly furnished to the Director General of Fair Trading.

26 WHOLE AGREEMENT

This Agreement supersedes any previous written or oral agreement between the parties in relation to the matters dealt with in this Agreement and, together with its Schedules and Annexes and the Teleswitching Agreement, contains the whole agreement between the parties relating to the subject matter of this Agreement at the date hereof to the exclusion of any terms implied by law which may be excluded by contract. Each of the parties acknowledges that it has not been induced to enter into this Agreement by a representation, warranty or undertaking not expressly incorporated into it. So far as permitted by law and except in the case of fraud, the parties agree and acknowledge that their only rights and remedies in relation to any representation, warranty or undertaking made or given in connection with this Agreement shall be for breach of the terms of

this Agreement, to the exclusion of all other rights and remedies (including those in tort, or arising under statute).

27 VALUE ADDED TAX

27.1 All sums due to either party under this Agreement are exclusive of VAT thereon, if any, which shall be charged in addition thereto in accordance with the relevant law in force at the time of making the relevant taxable supply and shall be payable by the paying party only against receipt from the other of a valid VAT invoice in respect thereof.

27.2 Where under this Agreement one party has agreed to reimburse or indemnify the other in respect of any payment made or cost incurred by the other, then the first party shall also reimburse any VAT paid by the other which forms part of its payment or costs incurred to the extent that such VAT is not available for credit for the other or for the representative member of the other's VAT group under Sections 25 and 26 of the Value Added Tax Act 1994 (or any replacement or equivalent provision).

28 PARENT COMPANY GUARANTEE

Cable Transmission Services (Holdings) Limited will enter into a guarantee in the form set out in Schedule 11.

29 JURISDICTION

This Agreement will be governed by and construed and interpreted in accordance with English law, and the parties hereby submit to the non-exclusive jurisdiction of the English courts.

In witness whereof this document has been executed as a Deed the day and year first before written.

In witness whereof this document has been executed as a Deed the day and year first before written.

THE COMMON SEAL of the BRITISH
BROADCASTING CORPORATION was
hereunto affixed in the presence of:

Director

Recorder Officer

THE COMMON SEAL of CASTLE
TRANSMISSION SERVICES LIMITED
was hereunto affixed in the presence of:

Director

Secretary

SCHEDULE 1

[*] (represents pages 1-23)

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been Filed with the Securities and Exchange Commission separately.

SCHEDULE 2

[*] (represents pages 24-30)

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been Filed with the Securities and Exchange Commission separately.

SCHEDULE 3

[*] (represents pages 31-40)

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been Filed with the Securities and Exchange Commission separately.

SCHEDULE 4

[*] (represents pages 41-109)

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been Filed with the Securities and Exchange Commission separately.

SCHEDULE 5

Fault Reporting and Planned Interruptions

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SCHEDULE 5

[*] (represents pages 111-121)

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been Filed with the Securities and Exchange Commission separately.

SCHEDULE 6

[*]

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been Filed with the Securities and Exchange Commission separately.

SCHEDULE 7

[*]

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been Filed with the Securities and Exchange Commission separately.

SCHEDULE 8

[*]

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been Filed with the Securities and Exchange Commission separately.

SCHEDULE 10

[*] (represents pages 144-189)

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been Filed with the Securities and Exchange Commission separately.

SCHEDULE 11

Dated

February 1997

CASTLE TRANSMISSION SERVICES (HOLDINGS) LIMITED

and

THE BRITISH BROADCASTING CORPORATION

DEED OF GUARANTEE

LINKLATERS & PAINES
Barrington House
59-67 Gresham Street
London EC2V 7JA

Tel: 0171-606 7080

JMC/KMTM

THIS DEED OF GUARANTEE ("GUARANTEE") is made the day of February 1997 BETWEEN:

- (1) CASTLE TRANSMISSION SERVICES (HOLDINGS) LIMITED, a company incorporated on 27 August 1996 (with registration number 3242381) and whose registered office is at Kempson House, Camomile Street, London EC3A 7AN (the "GUARANTOR"); and
- (2) THE BRITISH BROADCASTING CORPORATION, a corporation incorporated under Royal Charter, whose principal office is at Broadcasting House, Portland Place, London W1A 1AA (the "BBC").

WHEREAS:

- (A) Castle Transmission Services Limited ("CTS") is a company incorporated on 9 May 1996 (with registration number 3196207) and whose registered office is at Barrington House, 59-67 Gresham Street, London EC2V 7JA.
- (B) By an agreement (the "SALE AGREEMENT") of 23 January 1997 and made between the BBC as seller and Castle Transmission Services (Holdings) Limited as purchaser, the BBC has agreed to sell and Castle Transmission Services (Holdings) Limited agreed to buy the entire share capital of CTS.
- (C) By an agreement (the "TRANSMISSION AGREEMENT") of February 1997 between the BBC and CTS, CTS has agreed to provide certain transmission and related services to the BBC.
- (D) CTS is a wholly owned subsidiary company of the Guarantor as defined in the Companies Act 1985.
- (E) In consideration, inter alia, for the entry of the BBC into the Sale Agreement, the Guarantor has agreed to guarantee (upon and subject to the terms set out in this Guarantee) the due performance and observance by CTS of all its obligations under the Transmission Agreement.

IN CONSIDERATION of the BBC having agreed to enter into the Sale Agreement, IT IS HEREBY AGREED as follows:

1 DEFINITIONS

In this Guarantee terms and expressions defined in the Transmission Agreement shall, save where the context otherwise requires, have the same meanings herein.

2 GUARANTEE OF PERFORMANCE

- 2.1 The Guarantor hereby unconditionally and irrevocably guarantees to the BBC the due and punctual performance and observance by CTS of all the obligations of CTS under and pursuant to the Transmission Agreement and agrees to indemnify the BBC (on an after tax basis) against all losses, liabilities, costs, charges, expenses, actions, proceedings, claims and demands which the BBC may suffer through or arising from any breach by CTS of its obligations under and pursuant to the Transmission Agreement. Without prejudice to the provisions of Clause 3 of this Guarantee, the amount which the BBC shall be entitled to recover from the Guarantor hereunder in respect of or arising from any breach or default by CTS in the performance of its obligations or liabilities under or pursuant to the Transmission Agreement shall not exceed the amount for which CTS itself is or would be liable in respect of such breach or default, save that the foregoing limitation does not apply in respect of costs and expenses incurred by the BBC in enforcing the Guarantor's obligations under this Guarantee.
- 2.2 If and whenever CTS defaults for any reason whatsoever in the performance of any obligation or liability undertaken or expressed to be undertaken by it under or pursuant to the Transmission Agreement, the Guarantor shall upon demand perform (or procure performance of) and satisfy (or

procure the satisfaction of) the obligation or liability in regard to which such default has been made in the manner prescribed in the Transmission Agreement and so that the same benefits shall be conferred on the BBC as it would have received if such obligation had been duly performed and satisfied by CTS.

3 PRIMARY OBLIGATION

- 3.1 The Guarantor is deemed to be a principal debtor in respect of its obligations under this Guarantee and not merely a surety and accordingly shall not be discharged nor shall its liability be affected by any act, omission or means whereby it would not have been discharged or its liability would not have been affected if it had been a principal debtor.
- 3.2 The BBC shall not be obliged, before enforcing this Guarantee, to have:
 - 3.2.1 taken any action or proceedings against CTS; or
 - 3.2.2 obtained any judgment against CTS; or
 - 3.2.3 proven in any winding-up of CTS or agreed with CTS (or any administrator, liquidator, receiver or similar person) the amount of any liability of CTS, to the BBC; or
 - 3.2.4 enforced any other security held by it in respect of the obligation of CTS under the Transmission Agreement; or
 - 3.2.5 exercised, levied or enforced any distress, diligence or other process of execution against CTS.
- 3.3 This Guarantee shall be in addition to, and not in substitution for, any rights or remedies that the BBC may have against CTS, arising under or in respect of the Transmission Agreement or otherwise and may be enforced without first having recourse to any such rights.
- 3.4 The liability of the Guarantor under this Guarantee shall not be diminished by any matter (including without limitation any amendment to or variation of the Transmission Agreement, or any assignment of this Guarantee or any administration or winding-up order) that might restrict the ability of the BBC to bring any action or proceedings against CTS.

4 CONTINUING GUARANTEE

- 4.1 This Guarantee shall be a continuing guarantee and shall continue in force and effect irrespective of the enforceability of any other provision of the Transmission Agreement.
- 4.2 Neither the winding-up, liquidation, dissolution, bankruptcy or any other disability, limitation, incapacity, event or circumstance in relating to the Guarantor or CTS nor any change in their respective certificates of incorporation, memorandum and articles of association, status, function, control or ownership shall terminate the liability under this Guarantee.
- 4.3 This Guarantee shall terminate when all obligations to be performed or discharged by CTS under the Transmission Agreement have been irrevocably performed or discharged.
- 4.4 This Guarantee is in addition to and without prejudice to and not in substitution for or derogation of any other rights or security held by the BBC or any person for whose benefit this Guarantee is given in respect of the performance and observance of the obligations of CTS under the Transmission Agreement and shall extend to any costs, charges and expenses reasonably incurred by the BBC in enforcing or seeking to enforce this Guarantee.

5 REPRESENTATIONS AND WARRANTIES

The Guarantor hereby represents and warrants to the BBC that:

- 5.1 it has an issued and fully paid-up share capital of at least (pounds) 102 million;
- 5.2 it has the power to enter into, perform and comply with all of its obligations under this Guarantee;
- 5.3 the execution and performance of this Guarantee does not breach its constitutional documents or any agreement by which it is bound;
- 5.4 this Guarantee has been duly authorised by it and all necessary consents and authorisations required by it in relation to this Guarantee have been obtained and are in force; and
- 5.5 all other actions, conditions and things required to be taken, fulfilled and done in order to enable it lawfully to enter into and exercise its rights and perform and comply with its obligations under this Guarantee, have been taken, fulfilled and done.

6 ASSIGNMENT AND SUCCESSORS

- 6.1 The BBC shall be entitled to assign the benefit of this Guarantee to any firm, person or company to whom or to which the BBC shall make an assignment of its interest under the Transmission Agreement;
- 6.2 The Guarantor shall not assign or otherwise transfer, dispose of or part with any of its rights or obligations under this Guarantee to any person or deal in any other manner with this Guarantee without the prior written consent of the BBC. Any purported assignment in violation of this sub-Clause 6.2 shall be ineffective.

7 JURISDICTION

- 7.1 Other than as set out above this Guarantee will be governed by and construed and interpreted in accordance with English law, and the parties will be subject to the non-exclusive jurisdiction of the English courts.

8 NOTICES

- 8.1 Any notice to be served by either party shall be in writing and shall be sent to the following addresses:

Guarantor Castle Transmission Services (Holdings) Limited
c/o Castle Tower Corporation
510 Bering Drive, Suite 310
Houston
Texas 77057
USA
Fax: + 1 713 974 1926
Attention: Ted B. Miller Jr

with a copy to:-

Norton Rose
Kempson House
P O Box 750
Camomile Street
London EC3A 7AN
Fax: 0171 283 6500
Attention: Alan Crookes

BBC
British Broadcasting Corporation
Broadcasting House
Portland Place
London W1A 1AA
Fax: 0171 765 3500
Attention: Bob Phillis - Deputy Director General

with a copy to:-

British Broadcasting Corporation
Broadcasting House
Portland Place
London W1A 1AA
Fax: 0171 765 4381
Attention: Gareth Roscoe - Legal Adviser

8.2 Any notice, invoice or other document which may be given by either party under this Guarantee will be deemed to have been duly given if left at or sent by post (whether by letter or, where the parties agree in writing, in any other form) or facsimile transmission to the address set out above or to any other address notified to each other in writing in accordance with this clause as an address to which notices, invoices and other documents may be sent. Any such communication will be deemed to have been made to the other party.

8.2.1 if sent by hand, when delivered;

8.2.2 if sent by post, 72 hours after the envelope containing such notice was posted; or

8.2.3 if sent by facsimile, when the transmission of the facsimile is confirmed delivered complete (if delivered on a business day) or if not at 9:30 a.m. (British Standard Time) on the next business day.

For the purposes of this Clause business day means 9 a.m. to 5 p.m. Monday to Friday every week of the year except for English public holidays. It is further agreed that notices sent by facsimile will also be confirmed by sending a signed copy by post, the copy to be posted within 24 hours of sending of the facsimile.

IN WITNESS whereof this document has been executed as a deed on the day and year first before written.

SIGNED AS A DEED BY)
CASTLE TRANSMISSION SERVICES)
(HOLDINGS) LIMITED ACTING BY)

Director)

and)

Director/Secretary

SIGNED BY

for and on behalf of)
THE BRITISH BROADCASTING)
CORPORATION)

SCHEDULE 12

[*] (represents pages 192-285)

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been Filed with the Securities and Exchange Commission separately.

ANNEX 2

[*] (represents pages 1-12)

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been Filed with the Securities and Exchange Commission separately.

Appendix 1

Population Coverage Figures for the UHF Television
Transmission Network

[*] (represents pages 1-11)

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been Filed with the Securities and Exchange Commission separately.

Appendix 2

Population Coverage Figures for the FM Radio
Transmission Network

(National, Regional and Local Services)

[*] (represents pages 1-7)

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been Filed with the Securities and Exchange Commission separately.

Appendix 3

Population Coverage Figures for the DAB
Transmission Network

(27-Station Plan)

[*]

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been Filed with the Securities and Exchange Commission separately.

Appendix 4

Population Coverage Figures for the LF/MF Radio
Transmission Network for Radio 4

[*]

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been Filed with the Securities and Exchange Commission separately.

Appendix 5

Population Coverage Figures for the MF Radio
Transmission Network for Radio 5 Live

[*]

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been Filed with the Securities and Exchange Commission separately.

DATED 10 February 1998

(1) THE BRITISH BROADCASTING CORPORATION

and

(2) CASTLE TRANSMISSION INTERNATIONAL LTD

DIGITAL TERRESTRIAL TELEVISION
TRANSMISSION AGREEMENT

LINKLATERS & PAINES

One Silk Street
London EC2Y 8Q

Tel: 0171-456 2000

Ref: RMBD/MSHC

THIS AGREEMENT is made on 10 February 1998 BETWEEN:

- (1) THE BRITISH BROADCASTING CORPORATION, a corporation incorporated under Royal Charter, whose principal office is at Broadcasting House, Portland Place, London W1A 1AA ("THE BBC"); and
- (2) CASTLE TRANSMISSION INTERNATIONAL LTD (registered number 3196207), a company incorporated under the laws of England and Wales whose principal place of business is Warwick Technology Park, Gallows Hill, Heathcote Lane, Warwick CV34 6TN ("CTI").

RECITALS

- (A) The BBC is incorporated under the Charter and required under the Charter and DNH Agreement to provide radio and television broadcasts.
- (B) Clause 2.4 of the DNH Agreement allows for the BBC to provide multiplex facilities for digital terrestrial television.
- (C) The BBC wishes to launch its digital terrestrial television services concurrently with the launch of digital terrestrial television services by other multiplex operators.
- (D) The BBC has decided that it wishes to obtain from CTI the Services, including:
 - (i) The DTT Transmission Services using:
 - (a) terrestrial transmitters operated by CTI which radiate DVB-T Specification compliant signals;
 - (b) links provided by or to CTI to enable distribution of the BBC multiplexed signal to terrestrial transmitter sites from nominated BBC broadcast centers;
 - (c) multiplexers provided by CTI, to enable configuration of the BBC Multiplex at certain transmitter sites;
 - (ii) modifications to the transmission characteristics of existing analogue transmitters to permit the introduction of the BBC Multiplex and the simultaneous transmission of analogue services;
 - (iii) representation of the BBC on industry bodies; and

(iv) liaison with the analogue returning contractor.

(F) CTI has agreed to provide the Services on the terms and conditions set out in this Agreement.

The parties agree to comply with the following terms and conditions.

PART A - DEFINITIONS AND INTERPRETATION

1 DEFINITIONS AND INTERPRETATION

1.1 In this Agreement:

"ACCEPTANCE TESTS" means the tests carried out to test the installation and implementation of a Station (which may include type approval tests) in accordance with Clause 2.7 and Schedule 6.

"ACCEPTED" shall mean acceptance by the BBC or deemed acceptance by the BBC of a Station in accordance with the Acceptance Test procedure.

"ACCOUNTABLE INCIDENT" means a fault, failure or incident of the kind defined in Schedule 8, paragraph 3.1.4.2.

"ACTUAL IN-SERVICE DATE" means the date, regardless of the Roll-out Plan, when a Station commences service other than for testing.

"AFFILIATE" means any undertaking in respect of which a participating interest is held by the BBC, or a subsidiary undertaking of the BBC, or its parent undertaking or any subsidiary undertaking of its parent undertaking (as such terms are defined in sections 258 to 260 and Schedule 9 of the Companies Act 1985, as amended by the Companies Act 1989).

"AVERAGE EARNINGS INDEX" means the average earnings index for the whole United Kingdom economy as published from time to time by the Office of National Statistics or, if such index shall cease to be published or if there is a material change in the basis of the index, such other average earnings index as is an equivalent replacement, or if there is not a replacement, as the BBC may, after consultation with CTI, reasonably determine to be appropriate in the circumstances.

"1996 ACT" means the Broadcasting Act 1996.

"BBC ASSIGNEE" means any wholly-owned subsidiary of the BBC to whom the BBC has assigned this Agreement pursuant to Clause 17.2.

"BBC MULTIPLEX" means the multiplex for digital terrestrial television allocated to the BBC by the Secretary of State.

"BBC OPERATIONAL POINT OF CONTACT" means a person or persons nominated to CTI by the BBC from time to time as the operational point(s) of contact for purposes of this Agreement.

"BBC REPRESENTATIVE" means a person or persons nominated in writing to CTI by the BBC from time to time to be its contractual point of contact. The initial BBC Representative will be Mark Evans.

"BBC R & D" means the BBC's Research and Development Department.

"BBC SITES" means all sites owned by, leased or licensed to the BBC.

"BROADCASTING ACT" means the Broadcasting Act 1990.

"BUILD DATE" means, in relation to a Station:

- (i) for Phase 1 Stations the date by which the Station is able to radiate DTT signals compliant with the relevant technical specification approved by the BBC as set out in Schedule 12, Appendix 3; and
- (ii) for Phase 2 Stations and Phase 3 Stations the date by which:
 - (a) all digital equipment at that Station has been installed by CTI, tested and Accepted;
 - (b) all the analogue consequential changes at that Station are complete and accepted by the BBC;
 - (c) all analogue consequential changes required for that Station, which are not directly linked to the analogue returning contract, are completed;
 - (d) a detailed project plan for those analogue changes directly linked to the analogue returning contract has been agreed with the returning contractor and the BBC.

"CA" means conditional access.

"CHANGE CONTROL PROCEDURE" means the procedure set out in Schedule 3.

"CHARGES" means charges calculated in accordance with Schedule 2.

"CHARTER" means the Charter granted to the BBC by Her Majesty the Queen in Council on 13 March 1996 which came into force on 1 May 1996, as amended or replaced from time to time.

"CTI ASSIGNEE" means any person, firm or company to whom CTI has assigned this Agreement pursuant to Clause 17.2.

"CTI REPRESENTATIVE" means a person or persons nominated in writing to the BBC by CTI from time to time to be its contractual point of contact.

"CTI SITE" means all sites owned by, leased or licensed to CTI, other than sites licensed to CTI by the BBC under a Site Sharing Agreement as defined in this or the Analogue Contract.

"CTI SUB-CONTRACTOR" has the meaning given in Clause 13.5.1.

"DATA" means, subject to the limit on total capacity described in Clause 4.2.4, any data, free-to-air or subscription programming or other material which the BBC wishes to broadcast or transmit using the BBC Multiplex from time to time, which may include without limitation:

- (a) digitally coded audio and video programme services;
- (b) services such as Teletext, Audetel, subtitling and any other similar services provided by the BBC from time to time;
- (c) information relating to or intended for viewer set-top boxes;
- (d) subtitling;
- (e) private data signals (including EPG and CA);
- (f) SI; and
- (g) any television channels that the BBC wishes to provide for digital television transmission from time to time.

"DESIGN AND OPTIMIZATION CONSULTING SERVICES" means technical advice and consultation, provided prior to the Phase I Launch Date, in order to optimize the coverage and capability of the Transmission Network, including SI interface design and the enhancement of antenna patterns.

"D-MUX GROUP" means the industry group of licensees of digital television multiplexes under the 1996 Act and includes the BBC.

"DISTRIBUTION LINKS" means the telecommunications services procured or provided by CTI to convey the Data from the Interfaces to the Stations, as described in Schedule 5.

"DNH AGREEMENT" means the agreement between the Secretary of State of the then Department of National Heritage and the BBC dated 25 January 1996 which came into force on 1 May 1996, as such agreement may from time to time be amended or replaced.

"DTT" means digital terrestrial television.

"DTT TRANSMISSION SERVICE" means digital terrestrial television transmission of the Data from the Stations using the BBC Multiplex in accordance with the Transmission Requirements by means of the Transmission Network.

"DVB-T SPECIFICATION" means ETS1 standard ETS 300744.

"EFFECTIVE DATE" means the date on which the Department of Culture, Media and Sport gives formal approval for the BBC to provide DTT.

"EMERGENCY ANNOUNCEMENTS" means the provision by the BBC as required by Clause 8.1 of the DNH Agreement of announcements or other matter from all or any of the Stations.

"EMERGENCY POWERS" means powers exercisable by a Minister of the Crown pursuant to any legislation enacted or made to deal with a public emergency, including the Emergency Powers Act 1920 and any regulations made under it.

"EMERGENCY SERVICES" means the services described in Clause 3.2.

"EMPLOYEES" means the employees of CTI (or any sub-contractor of CTI) from time to time principally employed for the purposes of performing CTI's obligations under this Agreement or the employees of any CTI Assignee from time to time principally employed for the purposes of performing CTI's obligations under this Agreement.

"ENGINEER RESPONSE TIME" has the meaning set out in Schedule 8.

"EPG" means electronic programme guide.

"FORCE MAJEURE EVENT" means any events or circumstances beyond the reasonable control of the defaulting party which cause the relevant default which shall include, but not be limited to, Act of God, war, civil disturbance, statutory prohibition, Government intervention, order or act of Government or local/public authority, supranational regulatory or governmental agencies, acts or threats of terrorism, fire, lightning, flood, any adverse weather conditions which cause physical damage to property used to supply the Services or prevent access or safe working on any such property, anomalous propagation or other adverse weather conditions which affect transmission of the signal after it leaves the transmitter at a Station and before it is received at a viewer's receiver (but not anomalous propagation or other adverse weather conditions which affect transmission of the signal from the Interface up to and including the point at which the signal is

radiated from the transmitter except where weather conditions prevent or impede access to or safe working on any property), explosion, accident, theft or vandalism, national strike action or industrial action taken by a union or the BBC provided that neither party can rely on strikes, industrial action, theft or acts of vandalism where it could reasonably have been expected to have prevented them or the industrial action or strike is by its own employees only.

"GRADED BROADCAST" means:

(a) broadcasts of announcements made by a member of the royal family;
and

(b) major outside broadcasts,

as notified to CTI by the BBC in accordance with Clause 10.4.1, and any urgent broadcasts of a similar nature as notified to CTI by the BBC from time to time in accordance with Clause 10-4.

"HARMFUL INTERFERENCE" shall have the same meaning as in the Radio Regulations.

"HIGH LEVEL DESIGN" means a high level block diagram in the form set out in Schedule 12, identifying all Interfaces and Interface protocols.

"INTERFACE" means the network interconnection points between the BBC's facilities and the Transmission Network as more fully described in the Interface Specification.

"INTERFACE SPECIFICATION" means the specification set out in Schedule 7.

"ITC" means the Independent Television Commission.

"JOINT FREQUENCY PLANNING BOARD" means the board of that name formed under the auspices of the Radiocommunications Agency.

"LIQUIDATED DAMAGES" means amounts payable under Clause 16.6 and calculated in the manner set out in Schedule 2.

"LOSSES" means all losses, liabilities, costs (including, without limitation, legal costs), expenses and damages.

"MAIN STATIONS" means Stations which are not Relay Stations.

"MILLENNIUM COMPLIANT" means neither the performance nor the functionality of the Services will be affected by any changes to the date format caused by the advent of the year 2000 or any dates thereafter. In particular:

- (a) no value for current date will cause any interruption of the Services;
- (b) all manipulation of time related data will produce the desired results for valid date values within the application domain;
- (c) date elements in Interfaces and data storage will permit specifying the century to eliminate date ambiguity; and
- (d) where any data element is represented without a century, the correct century shall be unambiguous for all manipulations involving that element.

"OPERATOR" means the BBC and/or any Successor Operator.

"OPERATIONAL" means, in relation to a Station, that the relevant Station is ready for Operational use; i.e.:

- (i) the Build Date has been achieved;
- (ii) end-to-end system integration testing is complete;
- (iii) all analogue consequential changes required for that Station are complete.

"OPERATIONAL NON-PRIORITY STATIONS" means those Stations which are described as not being Operational Priority Stations in Schedule 1 as amended from time to time in accordance with the Change Control Procedure.

"OPERATIONAL PRIORITY STATIONS" means those Stations described as Operational Priority Stations in Schedule 1 as amended from time to time in accordance with the Change Control Procedure.

"PERFORMANCE MEASURES" means the numerical indications of CTI's overall performance, calculated as set out in Schedule 8.

"PERFORMANCE STANDARDS" means the performance parameters to be applied by CTI as set out in Schedule 8.

"PHASE 1" means the dates during which roll-out of the Stations identified in Schedule 1 (or otherwise agreed between the parties pursuant to this Agreement) as first phase Stations takes place.

"PHASE 1 LAUNCH DATE" means the date by which Phase 1 Stations are Operational, being 1 November 1998 (or such other later date as is specified by the D-Mux Group).

"PHASE 2" means the period during which roll-out of the Stations identified in Schedule I (or otherwise agreed between the parties pursuant to this Agreement) as second phase Stations takes place.

"PHASE 2 SERVICE DATE" means, in relation to a Phase 2 Station, the date by which that Station is Operational, as specified in Schedule 1 hereto (or as otherwise agreed between the parties).

"PHASE 3" means the period during which roll-out of the Stations identified in Schedule 1 (or otherwise agreed between the parties pursuant to this Agreement) as third phase Stations takes place.

"PHASE 3 SERVICE DATE" means, in relation to a Phase 3 Station, the date by which that Station is Operational, as specified in Schedule 1 hereto (or as otherwise agreed between the parties).

"PLANNED INTERRUPTIONS" means any interruptions of the kind described in Clauses 10-2.1 and 10.2.2.

"PLANNED WORK MESSAGE" means a message where there is a Planned Interruption to the DTT Transmission Service.

"PROJECT MANAGER" has the meaning set out in Clause 5.3.2.

"RADIO REGULATIONS" means the Radio Regulations of the International Telecommunication Union or any replacement for such regulations and includes all related regional agreements.

"RELAY STATIONS" means stations defined as such in Table 1 of Schedule 1.

"RELEVANT EMPLOYEES" means all Employees employed immediately before the Transfer Date (whether employed by CTI or otherwise) whose contract of employment has been or is to be transferred to the BBC or, as the case may be, a Successor Operator by virtue of the operation of law (including the Transfer Regulations) or any other person so employed in respect of whom liabilities arising from a contract of employment or employment relationship have or will be transferred by virtue of the operation of law (including the Transfer Regulations).

"RELEVANT EMPLOYER" means an employer of any of the Employees or the Relevant Employees.

"ROLL-OUT PLAN" means the industry-agreed plan for the roll-out of the second and third phases of DTT, as notified to CTI and amended by the D-Mux Group from time to time.

"ROUTINE MAINTENANCE" means work or repairs that are planned by CTI to minimize faults on CTI equipment and/or the Transmission Network and to ensure that such equipment and the Transmission Network operates safely, complies with all applicable statutory requirements and meets the Transmission Requirements and Target Performance Measures.

"RPI" means the retail price index (all items) published monthly in the Digest of Statistics by the Central Statistical Office or, if such index shall cease to be published, such other index of retail prices published in substitution for it.

"THE SECRETARY OF STATE" means one of Her Majesty's Principal Secretaries of State.

"SERVICES" means all services provided by CTI under this Agreement.

"SERVICE CREDITS" means credits against Charges in respect of CTI failing to meet the relevant Target Performance Measures calculated in accordance with Clause 11.3 and Schedule 8.

"SERVICE MANAGEMENT BOARD" means the committee described in Clause 5.4.

"SERVICE MESSAGE" means a message of the kind described in Schedule 8.

"SERVICES MANAGER" has the meaning set out in Clause 5.3.2.

"SI" means service information.

"SLA" means the service level agreement or agreements described in Clause 5.1 .1.

"SITE SHARING AGREEMENT" means an agreement substantially in the form of Schedule 10 or in such other form as is acceptable to the BBC.

"STATIONS" means the transmitter sites listed in Schedule 1 as amended from time to time and any substitute or additional transmitter sites that the parties may agree from time to time, in accordance with the Change Control Procedure.

"SUCCESSOR OPERATOR" means the contractor first succeeding CTI in the provision or operation of all or any of the Services.

"TARGET PERFORMANCE MEASURE" means the Performance Measure which is required for the DTF Transmission Service as described in Schedule 8.

"TECHNICAL OPERATIONS CENTRE" ("TOC") means CTI's principal operations centre located at Warwick Technology Park, Gallows Hill, Heathcote Lane, Warwick CV34 6TN.

"TELECOMS ACT" means, in relation to the UK, the Telecommunications Act 1984 or such equivalent statutes as are from time to time in force in the Channel Islands or the Isle of Man.

"TELETEXT" means any data service of the type which is currently transmitted using lines in the vertical blanking interval of the vision element of analogue television signals directed to the general public.

"TERM" means the period of 12 years from the Phase 1 Launch Date.

"TEST DATE" means, in relation to a Station, the date by which the relevant test transmitter or transmitter, as the case may be, is installed and ready for testing on such other date as may reasonably be agreed between the BBC and CTI in accordance with the requirements of the D-mux Group.

"TPGD" means the Television Planning Group Digital of the ITC.

"TRANSFER DATE" means close of business on the date when this Agreement terminates.

"TRANSFER REGULATIONS" means the Transfer of Undertakings (Protection of Employment) Regulations 1981.

"TRANSMISSION FAULTS" means breaks, discontinuances or other impairments of the transmission of the Data.

"TRANSMISSION NETWORK" means all or such parts of the transmission system which are used to provide the DTT Transmission Service, including transmitters and related equipment at such of the Stations as have been Accepted, and any Distribution Links that are used to provide the DTT Transmission Service.

"TRANSMISSION REQUIREMENTS" means the BBC's requirements for transmission of DTT by CTI as specified in Schedule 5, to be carried out by CTI in accordance with the provisions of Schedule 12.

"VAT" means value added tax as currently charged under the Value Added Tax Act 1994 and any successor or replacement thereof and any similar tax chargeable under the laws of the United Kingdom or any other jurisdiction.

"WTA" means the Wireless Telegraphy Acts 1949-1967 or such equivalent statutes as are from time to time in force in any of the United Kingdom, the Channel Islands or the Isle of Man.

"YEAR" means the period from the date of execution of this Agreement to the first anniversary of that date (which constitutes the first Year), and each subsequent complete period of twelve months.

- 1.2 The expressions "THE BBC" and "CTI" include their respective permitted assigns, employees and agents.
- 1.3 Other than in Clause 12.7 or otherwise expressly stated in this Agreement, any reference to any Act of Parliament will be deemed to include any replacement or re-enactment for the time being in force and to include any by-laws, statutory instruments, licences, rules, regulations, orders, notices, directions, consents or permissions made under such Act and any condition attaching thereto. Any reference to a reference document shall be to one of the reference documents listed in Schedule 13, in its version at the date hereof or as otherwise reasonably agreed between the parties.
- 1.4 The headings in this Agreement are for ease of reference only and will not be taken into account in the construction or interpretation of any provision to which they refer.
- 1.5 The invalidity or unenforceability of any individual provision(s) of this Agreement shall not affect any other provision herein or render this Agreement invalid or unenforceable.
- 1.6 This Agreement is made between principals and it shall not be deemed to create any partnership between the parties and neither shall hold itself out as agent or partner of the other except as specifically contemplated under this Agreement.
- 1.7 In the event of any inconsistency between the general provisions of this Agreement and any of the provisions contained in any of the Schedules or attachments to this Agreement or to documents or agreements referred to in this Agreement the provisions of this Agreement shall take precedence to the extent of the inconsistencies.
- 1.8 Failure by either party to exercise any right conferred by this Agreement will not be deemed to be a waiver of any such right nor operate so as to bar the exercise or enforcement thereof or of any right on any other occasion.
- 1.9 Except to the extent that the context otherwise requires, words and expressions defined in Article 1 of the Radio Regulations shall have the same meanings in this Agreement,
- 1.10 This Agreement shall come into force on the Effective Date.

PART B - DESIGN AND IMPLEMENTATION PHASE

2 DESIGN AND ROLL-OUT

2.1 Subject to the provisions of this Agreement, it is the responsibility of CTI as from the Effective Date to provide the Design and Optimization Consulting Services and to ensure that the Transmission Network is supplied, operated, installed and maintained in a manner which allows supply of the DTT Transmission Services in accordance with the terms of this Agreement. CTI acknowledges that the BBC has no obligation to make any contribution to the capital cost of the Transmission Network or to the costs of maintaining or operating the Transmission Network.. This Clause 2.1 does not affect the obligations of the BBC to make any payments expressly provided for in, or envisaged by, this Agreement.

2.2 TEST TRANSMITTERS

2.2.1 CTI shall install the test transmitters at the Stations specified in Schedule 1 by the Test Dates.

2.2.2 CTI has submitted to the BBC a High Level Design for each of the test transmitters. As these transmitters will be test transmitters, the BBC acknowledges that the designs may not be complete. Subject to Clause 2.2.3, each High Level Design must comply with the Transmission Requirements.

2.2.3 It is acknowledged by the BBC and CTI that the High Level Design is based on information, data and documentation produced and/or approved by the Joint Frequency Planning Board. Accordingly, if, notwithstanding CTI's compliance with the High Level Design, CTI does not comply with the Transmission Requirements through no fault of CTI's, CTI shall not be in breach of this Agreement in consequence thereof and any material costs of overcoming a failure of the High Level Design to comply with the Transmission Requirements shall be for the account of the BBC.

2.2.4 The test transmitters must be installed so that they comply with the radio frequency parameters set out in Schedule 1, Schedule 5, the technical parameters in Schedule 8 and the provisions of Schedule 12. Distribution Links and multiplex facilities will not be required, except as may be agreed between the BBC and CTI. The BBC and CTI will negotiate in good faith to agree what other requirements the test transmitters will be required to meet.

2.2.5 CTI must provide the BBC with such access to the test transmitters as may be reasonably required as soon as they are available, and in any event by the Test Dates, for the purpose of inspecting the transmitters and conducting or participating in the conduct of test broadcasts. CTI must perform such test broadcasts and such other tests using the test transmitters as the BBC reasonably requires. The BBC will provide such material for test broadcasts by CTI as it considers reasonably appropriate. Further detail of the tests to be conducted will be reasonably agreed in good faith between the parties.

2.3 FIRST PHASE ROLL-OUT

2.3.1 CTI must provide the BBC with such access to each of the Phase 1 Stations and all such information as is reasonably required (and which CTI is not prevented by statute, regulation or obligation of confidentiality from supplying) in order for the BBC to satisfy itself that CTI has complied with its obligations under Clause 2.1.

2.3.2 The Phase 1 Launch Date shall be 1 November 1998, being the same as the industry launch date for DTT in the UK (the "Phase 1 Launch Date"). [*]

2.3.3 [*]

2.3.4 [*]

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

2.4 SUBSEQUENT ROLL-OUT

- 2.4.1 [*]
- 2.4.2 For the avoidance of doubt, the BBC will not be obliged to pay any additional amounts and in appropriate circumstances may receive a reduction in the Charges (to be agreed pursuant to Change Control) as a result of any changes to the Roll-out Plan (whether they result in a reduction in the number of Stations or change the timing of roll-out) to the extent that such changes are required or permitted by the ITC in relation to any DTT multiplex licensee. This clause will not require CTI to increase the number of Stations without a change in the Charges.
- 2.4.3 If the BBC wishes during the Term to acquire DTT Transmission Services from the Subsequent Stations, it will acquire such services from CTI in accordance with this Clause 2.4.
- 2.4.4 CTI must comply with the Roll-out Plan in relation to the Subsequent Stations.
- 2.4.5 CTI must provide the BBC with such access to each of the Subsequent Stations and all such information as is reasonably required (and which CTI is not prevented by statute,

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regulation or third party confidentiality obligations from supplying) in order for the BBC to satisfy itself that CTI has complied with its obligations under Clause 2.4.4.

2.5 DELAY

2.5.1 Without prejudice to CTI's obligations under this Agreement, if any event occurs which causes or is likely to cause delay in the installation of any transmitter (including test transmitters) or if CTI is unable or likely to be unable to meet the Phase 1 Launch Date or the Phase 2 or Phase 3 Service Dates (as the case may be), it must notify the BBC of the delay, giving reasons for it and specifying the likely period of the delay.

2.5.2 If the event notified by CTI under Clause 2.5.1 is:

- (i) a Force Majeure Event;
- (ii) a breach of this Agreement by the BBC;
- (iii) delays caused by CTI carrying out work to modify analogue transmitters other than as set out in Schedule 4;
- (iv) delays occasioned by performance by CTI of any Emergency Service in accordance with Clause 3.2 below;
- (v) delays caused by disputes on the issue of an Acceptance Certificate resolved or determined in CTI's favour;
- (vi) delay in obtaining or refusal to grant planning approval to the extent that the delay is outside CTI's control;
- (vii) lack of agreement on national or international frequency co-ordination or frequency planning or changes in frequencies;

then the Phase 1 Launch Date or the Phase 2 Service Date or Phase 3 Service Date (as the case may be) for affected Stations and the date for completion of the other obligations of CTI under this Agreement will be amended to reflect the period of the delay resulting from that event. Further, the BBC shall pay any reasonable additional costs incurred by CTI and evidenced to the BBC to overcome or circumvent the matter giving rise to any delay under Clause 2.5.2(ii) above.

2.6 MODIFICATIONS TO ANALOGUE TRANSMITTERS

- 2.6.1 Modifications may be required to the transmission characteristics of existing analogue transmitters located at Stations or at other transmission sites to permit the introduction of the BBC Multiplex and to ensure the transmission of analogue and digital services without interference from those Stations and other sites simultaneously with the digital transmission of the Data.
- 2.6.2 The determination of what modifications are required will require co-ordination with other industry participants. Although the BBC will be primarily responsible for this process, CTI must take a pro-active role in this co-ordination, and will be required to represent the BBC's interests on relevant working groups.
- 2.6.3 Details of the modifications to the existing analogue transmitters which shall be undertaken by CTI are set out in Schedule 4. Work carried out by CTI in this field in addition to that described in Schedule 4 may be an additional cost to be borne by the BBC and agreed between the parties in advance.
- 2.6.4 Modifications shall be made to transmitters by the Test Date for the relevant Station.
- 2.6.5 CTI shall not be responsible for modifying equipment at viewers' premises.

2.7 INSTALLATION AND TESTING

- 2.7.1 CTI must, subject to this Agreement, and in particular to Clauses 2.2.3 and 2.7.2, install and test each Station by the Build Date, and have Accepted each Phase 2 Station and Phase 3 Station by the Build Date and make each Station Operational by the Phase 1 Launch Date or the Phase 2 Service Date or Phase 3 Service Date (as the case may be) for that Station. CTI must ensure that by the Phase 1 Launch Date or Phase 2 Service Date or Phase 3 Service Date (as the case may be) for that Station:
 - (i) the Station is capable of providing the DTT Transmission Services in accordance with the Transmission Requirements;
 - (ii) all Distribution Links and other equipment or facilities (including multiplex facilities) required in order for CTI to supply the DTT Transmission Services from the Station are installed and operating such that the DTT Transmission Services can be provided from that Station in accordance with the Transmission Requirements; and

- (iii) the transmitter and other equipment installed at the Station comply in all material respects with the High Level Design for the Station. Subject to Clause 2.2.3, such High Level Design will comply with the Transmission Requirements.
- 2.7.2 CTI must give the BBC 14 days' notice of when a Station first becomes available for testing. Each Station must be available for testing by the Test Date for that Station unless otherwise agreed between the parties. For the avoidance of doubt, if a Station is available before that time CTI must notify the BBC in accordance with this paragraph.
- 2.7.3 The Acceptance Tests in relation to each Station shall be as set out in Schedule 6, or as otherwise amended by agreement between the parties.
- 2.7.4 The Acceptance Tests will be carried out at such times as are agreed between the parties, and shall be jointly executed by the BBC and CTI unless the BBC notifies CTI in writing that CTI may carry out any such Acceptance Tests itself, in which event the BBC shall be entitled to attend. CTI shall, in all cases, notify the BBC with copies of the results of Acceptance Tests, when any such Acceptance Tests have been completed.
- 2.7.5 The BBC must notify CTI in writing within 24 hours of receipt of the results of Acceptance Tests if it considers that the Acceptance Tests have not been completed successfully in accordance with Schedule 6 Part 2. If the BBC confirms such successful completion or does not respond to CTI within the said 24-hour period, then Acceptance for the purposes of this Agreement will have taken place on the date on which the Acceptance Tests were delivered to the BBC.
- 2.7.6 For the avoidance of doubt, Acceptance of a Station in accordance with this Clause will not affect, remove or mitigate any other obligations of CTI under this Agreement including, without limitation, the obligation to provide the DTT Transmission Services in accordance with the Transmission Requirements and the obligation to pay Service Credits calculated in accordance with Schedule 8. No service credits shall be payable in respect of any Station until that Station's Acceptance in accordance with this Clause 2.
- 2.7.7 If within 24 hours of the receipt of the Acceptance Tests the BBC notifies CTI in writing that it does not consider that the Acceptance Tests have been completed successfully and CTI and the BBC shall fail to settle the matter in dispute within a further 7 days, then the question of whether the Acceptance Tests have been completed successfully

will be referred to the Expert described in Clause 5.6.5 for the Expert's determination as set out in Clause 5.6.5.

2.7.8 If, pursuant to Clause 2.7.7, it is agreed or determined that the Acceptance Tests have not been completed successfully, CTI shall be required to take such steps as are necessary to ensure successful completion of such Acceptance Tests at CTI's expense. In such circumstances CTI shall also reimburse the BBC in full for its costs and expenses reasonably incurred in investigating and disputing the unsuccessful Acceptance Tests. If, pursuant to Clause 2.7.7, it is agreed or determined that the Acceptance Tests have been completed successfully then no liquidated damages or other amounts shall be payable by CTI and the Station(s) in question shall be deemed to have been Accepted on the date on which CTI first delivered the Acceptance Tests to the BBC.

2.7.9 Detection of a fault as a result of a helicopter survey conducted pursuant to the procedure set out in paragraph 12 of Schedule 6 Part 2 shall not of itself affect the timing of completion of the Acceptance Tests. CTI agrees that if a fault is so detected it will rectify it within a reasonable period of time, such time to be agreed between the parties.

2.8 MILLENNIUM COMPLIANCE

CTI must ensure that all software and systems installed or used in the Transmission Network, or otherwise used in relation to the provision of the Services, are Millennium Compliant.

3 SERVICES

3.1 DTT TRANSMISSION SERVICE

3.1.1 From the Phase 1 Launch Date or the Phase 2 Service Date or Phase 3 Service Date (as the case may be) in relation to each Station, CTI shall provide the digital terrestrial transmission of the Data from that Station using the BBC Multiplex in accordance with the Transmission Requirements. The Data will be delivered to CTI at the Interfaces in the form set out in Schedule 7, and CTI shall be responsible for conveying the Data from the Interfaces to the Stations for transmission using the Distribution Links. The services described in this Clause 3.1.1 shall comprise the "DTT Transmission Service". A detailed description of the DTT Transmission Service is set out in Schedule 5. Nothing in this Agreement shall constitute or imply any warranty, representation or obligation on the part of CTI as to the size or location of the areas actually capable of receiving Data transmitted by CTI in accordance with this Agreement or that any such Data is capable of reception in the whole or part of any such area.

3.1.2 In addition, CTI will ensure that the DTT Transmission Service is:

- (i) performed in accordance with the standard of care to be reasonably expected of a skilled provider of digital terrestrial television broadcast transmission services; and
- (ii) provided on a continuous basis at all times when the Data is scheduled by the BBC to be transmitted.

3.1.3 CTI shall not be liable for failure to provide the DTT Transmission Service:

- (i) in respect of any failure or degradation of the signal or message comprising the Data which arises during transmission of the Data to the Interfaces and prior to receipt at the Interface;
- (ii) (except as provided in (i) above) where it is temporarily unable to provide all or part of the DTT Transmission Service due to a Force Majeure Event;
- (iii) where any of the Transmission Network is requisitioned, taken over or used pursuant to Clause 8 of the DNH Agreement, any Emergency Powers, including for the making of Emergency Announcements or the performance of Emergency

Services or action taken by any authority pursuant to any direction under Section 94 of the Telecoms Act or by any authority pursuant to Condition 6 of CTI's Telecoms Act licence;

(iv) where any part of the Transmission Network is subject to a notice issued by the Secretary of State or the Radiocommunications Agency which requires the cessation of, or adversely affects the provision of, the DTT Transmission Service:

- (a) in the interests of long-term spectrum planning; or
- (b) in the event of a national or local state of emergency being declared.

3.1.4 CTI hereby undertakes not to change, add or remove any Data or in any other way affect the BBC's editorial control of the Data whether before or after its transmission through the Transmission Network, other than:

- (i) as is necessary to process and multiplex the signals for the purposes of transmission by the transmitters comprised in the Transmission Network in accordance with the terms of this Agreement; or
- (ii) where automatic protection systems are in place; or
- (iii) for purposes of monitoring the Data as it is transmitted, provided that any Data which is decoded for purposes of monitoring is not subsequently recoded for transmission; or
- (iv) as directed by the BBC in writing.

Any changes made to the transmission of the Data in the event of a Force Majeure Event or Transmission Fault shall be the responsibility of the BBC unless the BBC gives instructions to CTI to make specified changes to the Data to circumvent the Force Majeure Event or the Transmission Fault and it is reasonably practicable to make such changes within the requisite timescale.

3.1.5 This Agreement does not cover the insertion of EPG or CA information into the Data. However, CTI will be required to transmit EPG or CA data, which may be inserted by one or more third parties. CTI must co-operate with, and provide reasonable assistance where requested, to any such third parties. It shall ensure that its equipment has the flexibility to support the transmission of EPG and CA. Any introduction of EPG or CA

into the DTT Transmission Service will be dealt with under the Change Control Procedure.

- 3.1.6 CTI must use its reasonable endeavours to ensure that no pirated signal or other unauthorised data is injected to any signal broadcast using the BBC Multiplex at any stage after the Interface and at or before transmission by CTI and must use its reasonable endeavours, to ensure that no Station picks up off air signals not licensed for broadcasting in the UK and re-transmits such signals or other unauthorised data using the BBC Multiplex. If CTI becomes aware of the injection of any pirated signal or the retransmission of such off air signals it must promptly inform each of the BBC and the Radiocommunications Agency and co-operate with any request of the BBC or the Radiocommunications Agency concerning that pirated signal or other unauthorised data or off air signal. Any steps taken by CTI to resolve any such problems which do not result from any breach of this Clause by CTI shall not be an Accountable Incident for the purposes of this Agreement.

3.2 EMERGENCY SERVICES

- 3.2.1 In the event that the BBC notifies CTI that the Data includes any Emergency Announcements, CTI will transmit such Emergency Announcements from all Stations notified to it by the BBC (to the extent that the Station forms part of the Transmission Network at the time), using, where required, the Transmission Network (notwithstanding any Planned or Routine Maintenance relating to such Stations), and will halt, to the extent that it would otherwise prevent the transmission of such Emergency Announcements, any emergency fault repair. In the event that the BBC notifies CTI that it has been requested by the Secretary of State to refrain from broadcasting or transmitting any matter or class of matter, the BBC will use reasonable endeavours to prevent such matter from being sent to the Interfaces.
- 3.2.2 The BBC will act as required, requested or directed by the Secretary of State, any Minister of Her Majesty's Government, the Home Office or the Channel Islands' authorities in providing any Emergency Announcement, requiring the cessation of any transmission or taking possession of any of the Stations or any CTI Equipment. The BBC agrees to use its reasonable endeavours to provide as much notice as possible of any requirements for an Emergency Announcement or any of the Emergency Services. Subject to the terms of any direction given to CTI by Her Majesty's Government, the

BBC and CTI will work together when required by the BBC to plan the procedures for transmitting Emergency Announcements. In the event of any dispute between CTI and the BBC, acting on behalf of the Secretary of State, any Minister, the Home Office or the Channel Islands' authorities, as to the procedures for transmitting Emergency Announcements, the reasonable requirements of the BBC shall prevail.

3.2.3 In the event that the Secretary of State, or any Minister of the Crown, or official of the Secretary of State authorised to act on his or her behalf, has concluded that an emergency has arisen as contemplated by Clause 8.3 of the DNH Agreement then CTI agrees to permit the Secretary of State to exercise his or her powers to take control of the transmission of the Data or to do any of the other acts contemplated by Clause 8.3 of the DNH Agreement. The Secretary of State or his or her nominee may enter any CTI Sites (including pursuant to an order or direction made by Her Majesty's Government requiring this) in exercise of Emergency Powers and use all CTI Equipment located at such premises or sites and may use the BBC Multiplex and any spectrum licensed to CTI under the WTA. The BBC may act on behalf of the Secretary of State in this regard.

3.2.4 Any provision of any Emergency Services or an Emergency Announcement, either at the request of the BBC or pursuant to any Emergency Powers, shall not constitute a breach of any other requirements of this Agreement or give rise to an obligation on CTI to make any payment or give any Service Credits to the BBC and to the extent that the provision of any such services delays a Launch Date, no damages in this connection shall be payable by CTI.

3.3 INDUSTRY INVOLVEMENT

3.3.1 The parties understand that launch of DTT in the United Kingdom will require considerable industry co-ordination and co-operation. Each of them agrees to use all reasonable endeavours to participate in relevant industry working groups and to be proactive in seeking to achieve industry agreement on matters that are yet to be determined.

3.3.2 Without limiting the generality of Clause 3.3.1, CTI agrees that throughout the Term it will:

- (i) liaise with other multiplex and transmitter network operators and receiver and set top box manufacturers with a view to ensuring that the Data can be satisfactorily received and displayed in accordance with the Transmission Requirements;
- (ii) procure that the CTI Representative attends all seminars, industry meetings or other meetings as the BBC may reasonably request relating to the subject matter of this Agreement including, without limitation, meetings relating to digital terrestrial video broadcasting, CA, SI, EPG and domestic, regional and international frequency allocation; and
- (iii) assist the BBC where requested to make oral or written representations or submissions to, or conducting negotiations with, regulators, industry or government bodies or working groups relating to the subject matter of this Agreement including, without limitation, representations, submissions or negotiations relating to digital terrestrial video broadcasting, CA, SI, EPG and domestic, regional and international frequency allocation.

3.4 SPECTRUM MANAGEMENT

- 3.4.1 Throughout the Term, CTI will co-operate with and assist the BBC where requested in relation to spectrum management and frequency allocation but the BBC remains primarily responsible for such matters.
- 3.4.2 CTI will at the request of the BBC and/or the Radiocommunications Agency investigate at its own cost any instances of interference to digital or analogue broadcast transmission or reception which may be related to the Stations or the performance of the DTT Transmission Services anywhere in the United Kingdom, the Channel Islands or the Isle of Man. In the event that such interference is found to be as a direct result of an act or omission by the BBC, the BBC will be responsible for CTI's costs of investigating that interference. CTI's obligations under this Clause 3.4.2 shall not extend to investigating interference at viewers' premises.

3.5 DISTRIBUTION LINKS

- 3.5.1 CTI will use a fibre distribution network provided by British Telecommunications PLC ("BT").
- 3.5.2 The current distribution network is set out in Schedule 12 (the "NETWORK"). By the completion of Phase 3 in accordance with the Roll-out Plan and the Phase 3 Launch

Date no fewer than 76 Stations will be connected by primary fibre link to the Network and no fewer than 40 Stations will be connected with a dual fibre link to this Network. No more than 5 Stations will have dual radio feed connections to the Network.

3.5.3 [*]

4 THE BBC'S OBLIGATIONS

4.1 OPERATIONAL OBLIGATIONS

4.1.1 The BBC shall supply the Data to CTI in accordance with the Interface Specification for transmission by CTI from the Interface. No material changes may be made to the Interface Specification without the agreement of CTI and the BBC.

4.1.2 In the event of interruption or degradation to the signal carrying the Data occurring prior to receipt by CTI of the Data at the Interface the onus shall be upon the BBC at its own cost to establish and remedy at its own cost the cause. CTI shall not be held to be in breach of any of its obligations under this Agreement as a result of interruption or deterioration in the quality of transmission of the Data in such circumstances, unless that interruption or degradation is as a direct result of the breach by CTI of any of its obligations under this Agreement .

4.2 DATA

4.2.1 The BBC will supply the Data to the Interfaces in such form as is necessary to permit CTI to comply with the relevant provisions of the 1996 Act, the terms upon which the BBC Multiplex is allocated to the BBC, the WTA or the Telecoms Act and any other licence or consent which governs or relates to the running of the Transmission Network, provided that any requirements necessary to enable CTI to so comply are notified by CTI to the BBC from time to time.

4.2.2 Without limitation to the generality of Clause 4.2.1, the BBC will not knowingly permit the Data to contain any material:

- (i) which is defamatory, offensive or abusive or of an obscene or menacing character; or

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

(ii) which constitutes a violation or infringement of the rights of any person (including but not limited to all intellectual property rights such as moral rights, rights of copyright or confidentiality) or infringement of any law.

4.2.3 The BBC will indemnify CTI against all Losses arising out of or in any way connected with the matters referred to in Clause 4.2.2.

4.2.4 The BBC reserves the right, under this Agreement, to vary at any time the number of channels comprised in the Data and the nature of the Data that it broadcasts using DTT, provided that the total capacity required to broadcast the Data is not greater than the total available on the BBC Multiplex (24.13 Mbit/S).

4.3 BBC AFFILIATES

Subject to the BBC being responsible for compliance with any relevant legal or regulatory requirements, the BBC may permit its Affiliates to use the Services. The BBC will be responsible for any use by its Affiliates and for procuring that its Affiliates comply with the terms of this Agreement.

4.4 FREQUENCY CLEARANCES

As between the BBC and CTI, the BBC shall be responsible for ensuring that the BBC has been, and continues to be, allocated all the necessary frequencies for the digital terrestrial television broadcasting of Data in the UK. CTI will not be responsible for any failure to obtain or delay in obtaining such allocations.

PART D - PROJECT MANAGEMENT, SERVICE MANAGEMENT AND CONTRACT
MANAGEMENT

5 CONTRACT MANAGEMENT, REVIEW OF SERVICES AND DISPUTES

The parties shall comply with the provisions relating to operational management of this Agreement set out in Schedule 8 hereto.

5.1 SERVICE LEVEL AGREEMENT

5.1.1 Within 3 months from the date of execution of this Agreement CTI must submit to the BBC a draft service level agreement or agreements (the "SLA") setting out detailed provisions relating to the following matters:

- (i) performance requirements of the Services;
- (ii) operational management of the Services;
- (iii) the manner and form of problem notification;
- (iv) the mechanism for review of the Services;
- (v) the management and escalation of problems arising from this Agreement; and
- (vi) other matters relating to the day-to-day implementation and operation of this Agreement.

5.1.2 Within 30 days of receipt by the BBC of the draft SLA, the parties will discuss in good faith the terms of the SLA with a view to reaching agreement on its terms. CTI will take into account any reasonable comments of the BBC and modify the SLA accordingly.

5.1.3 If the terms of the SLA are not agreed within 6 months from the date of execution of this Agreement, then the agreement of its terms will be escalated in accordance with Clause 5.6.

5.1.4 The SLA is intended to operate as a functional document which is used in the day-to-day management and operation of the Services. It will need to be continually reviewed, in accordance with the terms of this Clause 5, to reflect the developing nature of the Services and to ensure the continual improvement of the Services.

5.1.5 Each party agrees to comply with the terms of the SLA provided that, if from time to time there is any inconsistency between the terms of this Agreement and the terms of the SLA, the terms of this Agreement will prevail to the extent of the inconsistency. The agreement of terms in the SLA which are inconsistent with or supplementary to the terms of this Agreement will not be treated as a waiver or variation of any terms of this Agreement.

5.2 GENERAL PRINCIPLES AND DEVELOPMENT OF THE SERVICES

5.2.1 It is intended by the parties that they will operate this Agreement in close communication with the aim of achieving the closest possible co-operation in relation to the Services. It is recognised by the parties that to achieve this aim both parties will need to consult with each other on a frequent basis and regularly on a daily basis.

5.2.2 CTI will constantly strive to improve the quality, reliability and value for money of the Services in accordance with the principles set out in paragraph 2 of Schedule 3 hereto.

5.2.3 CTI will approach the provision of the Services to the BBC in an innovative and creative fashion.

5.2.4 On or before 30 September in each Year (or on such other date as is agreed), CTI will provide to the BBC an annual written report to be prepared at its own cost which:

- (i) describes the changes and improvements made during the last Year to the infrastructure and facilities used to provide the Services and those planned for the next Year and subsequent Years;
- (ii) contains a summary of industry trends and innovations, sufficient to give the BBC an understanding of options that may exist for future improvement or development of the Services and technology developments that could improve the quality, reliability and value for money of the Services;
- (iii) includes an executive summary; and
- (iv) is otherwise in such format and contains such material as the parties agree.

5.2.5 CTI acknowledges that the BBC wishes to be able to take advantage of potential improvements in technology which will improve the quality of the Services and to ensure that it is placed to meet industry developments. CTI will inform the BBC of any

changes, developments or industry trends that may assist the BBC in achieving this aim and will inform the BBC Representative of any means of which it is aware from time to time to improve the reception of the Data, the coverage area receiving the Data, or the quality, reliability or value for money of the Services.

5.2.6 The parties shall work together in good faith in carrying out their respective obligations under this Agreement.

5.3 PROJECT AND CONTRACT MANAGEMENT AND OPERATIONAL MANAGEMENT

5.3.1 In respect of the day-to-day management of this Agreement and the performance of each part of the Services:

- (i) CTI will deal with the BBC Operational Point of Contact; and
- (ii) the BBC will deal with the Technical Operations Centre.

5.3.2 CTI must appoint a person who will be the BBC's primary point of contact at CTI in relation to the roll-out of the Transmission Network (the "PROJECT MANAGER"). CTI must also appoint a person who will be the BBC's primary point of contact at CTI in relation to the provision of the Services (the "SERVICES MANAGER"). The initial Project Manager will be Russel Inman and the initial Services Manager will be Peter Lee.

5.3.3 The Project Manager and the Services Manager may be the same person or they may be two different people.

5.3.4 [*]

5.3.5 CTI must give the BBC at least 1 month's notice of the removal of the Project Manager or the Service Manager, unless it is unable to do so and the removal results from the resignation, dismissal with due cause, illness or death of the Project Manager or Services Manager or any other similar event outside the control of CTI ("UNAVOIDABLE EVENT"). If an Unavoidable Event occurs, CTI must advise the BBC as soon as reasonably practicable after it becomes aware that the Unavoidable Event will result or is likely to result in the removal of the Project Manager or the Services Manager.

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

- 5.3.6 CTI must provide the BBC with details of the experience of any proposed replacement for the Project Manager or the Services Manager and must give the BBC the opportunity to meet with the proposed replacement. The replacement must be approved by the BBC, such approval not to be unreasonably withheld. Except in cases where an Unavoidable Event has occurred, the replacement must be approved by the BBC prior to the removal of the Services Manager or the Project Manager.
- 5.3.7 Except in cases where an Unavoidable Event has occurred, when a replacement Services Manager or Project Manager is appointed, there must be at least a one-month handover period where the replacement works together with the outgoing Services Manager or Project Manager, as the case may be.
- 5.3.8 The BBC Representative will be the BBC's primary point of contact for the Project Manager and the Services Manager.
- 5.3.9 The BBC Representative and the Project Manager will meet once every month, or more frequently at the request of either party, until both parties agree that such meetings are no longer required. These meetings will relate to the roll-out of the Transmission Network. Each month, the Project Manager will be required to provide the following:
- (i) an overall programme plan indicating the main implementation issues, including acceptance and end-to-end testing and identifying the critical path for roll-out of the Transmission Network and provision of the DTT Transmission Service;
 - (ii) GANTT charts showing clearly the timescale and relationship between each phase of the project, including major milestones, and clearly indicating any critical areas; and
 - (iii) progress reports showing developments and progress against the plan. An updated version of the flow diagram or GANTT chart, revised to show progress and re-calculated to show any changes to the forecast ready for service date shall be provided with every progress report.
- 5.3.10 The BBC Representative and the Services Manager will meet once every month, or more frequently at the request of either party, beginning at least three months prior to the Phase 1 Launch Date or at such other time as is agreed.

5.4 SERVICE MANAGEMENT BOARD

CTI and the BBC will establish a Service Management Board to deal with all major matters concerning the amendment, or the reviewing of the operation, of this Agreement. It will consist of two or more representatives of each party, including the Services Manager, the Project Manager and the BBC Representative. The Board will meet quarterly, or at such other time as is agreed between the parties. Its remit will be as follows:

- 5.4.1 to make recommendations to the parties regarding the need for, and implementation of, changes to the Services or the SLA;
- 5.4.2 to attempt to resolve any disputes that may arise between the parties which cannot be satisfactorily resolved between the Services Manager and the BBC Representative or the Project Manager and the BBC Representative, and which are referred to it in accordance with Clause 5.6, and to make recommendations to the parties regarding any such dispute;
- 5.4.3 to monitor technological developments in telecommunications and broadcasting which may affect the provision of the Services and to make recommendations to the parties regarding the desirability of improving the Services in light of such changes and to consider and plan for the implementation of new services;
- 5.4.4 to make recommendations on changes to this Agreement required by reason of changes to the Charter and DNH Agreement; and
- 5.4.5 any other matters on which the parties agree from time to time.

5.5 ANNUAL REVIEW

CTI and the BBC will hold an annual review meeting which must be attended by the Chief Executive Officer of CTI (or a replacement reasonably acceptable to the BBC) and the BBC's Director of Policy and Planning (or a replacement reasonably acceptable to CTI).

5.6 DISPUTES

- 5.6.1 Any complaints, disputes or problems (each an "ISSUE") relating to this Agreement will be escalated as set out in this Clause 5.6.
- 5.6.2 Any Issue will be referred in the first instance to the BBC Representative and either the Project Manager or the Services Manager, as appropriate. The BBC and CTI will procure that their respective representatives discuss in good faith any Issue with a view

to resolving it. If an Issue is not resolved to the satisfaction of either party within 30 days of both parties having first been aware of it, then either party may refer it to the Service Management Board.

- 5.6.3 If an Issue is referred to the Service Management Board, then each party must procure that their Representatives on that Board discuss the Issue in good faith at the next meeting of the Service Management Board with a view to resolving it. Either party may convene a meeting of the Service Management Board to be held within 14 days of an Issue being referred to it. If the Issue is not resolved to the satisfaction of both parties within 7 days of the meeting of the Service Management Board, then either party may require that the Issue is dealt with under Clause 5.6.4.
- 5.6.4 Where an Issue is to be dealt with under this Clause 5.6.4, the parties will ensure that, for the BBC, the Director of Policy and Planning, and for CTI, the Chief Operating Officer, will meet together with a view to resolving the Issue. The parties will allow 30 days from the date of escalation of the matter for such consultation or discussions to take place before referring the Issue to adjudication or initiating any arbitration or other legal proceedings.
- 5.6.5 If an Issue is not resolved pursuant to Clause 5.6.4 and it relates solely to matters of an engineering or technical nature, either party may refer it for adjudication to the President for the time being of the Institution of Electrical Engineers, or his nominee. The President or his nominee shall act as an expert, not an arbitrator. The Expert shall in no circumstances be an employee, agent or sub-contractor of NTL, CTI or the BBC and shall in all other ways be independent of all such persons. The party referring any Issue for adjudication must deliver to the expert and the other party a notice setting out the matters in dispute and any relevant supporting evidence. The other party shall be entitled to reply to the notice and such evidence, delivering such reply to the expert and the party referring the Issue. Otherwise, the expert shall be entitled to decide on the procedure he or she wishes to adopt. Any determination of the expert must be in writing and shall be final and binding on both parties, failing any manifest error on the face of the decision. Unless the expert determines otherwise, both parties will bear their own costs of the determination and half the costs of the expert.
- 5.6.6 If an Issue is not resolved pursuant to Clause 5.6.4 and it does not relate solely to matters of an engineering or technical nature, either party may refer it to mediation in

accordance with the Centre for Dispute Resolution procedures then in force. If after 30 days either party believes that mediation has not resolved the Issue, then either party may proceed to litigation. Unless agreed otherwise, each party will bear its own costs of the mediation and half the costs of any third party involved.

- 5.6.7 Except where clearly prevented by the nature of the Issue, the parties must continue performing their respective obligations under this Agreement while any Issue is escalated in accordance with this Clause 5.

6 CHANGE CONTROL

6.1 CHANGES BY CTI

6.1.1 Subject to Clause 6.1.2, CTI shall not make any changes to the High Level Design which have or may have a material effect on the performance of CTI's obligations under this Agreement without the BBC's prior written consent, not to be unreasonably withheld or delayed. CTI may make any other changes to the High Level Design provided it notifies the BBC of the proposed changes and the reason for such proposed changes in advance in writing. CTI may make other changes to the Transmission Network provided that:

- (i) any such changes do not detract from, reduce or impair the performance or operation of the Services or the Transmission Network (which includes the flexibility of the Transmission Network);
- (ii) CTI is still able to comply with the Transmission Requirements and the Target Performance Measures; and
- (iii) it notifies the BBC of such changes in advance in writing and, where such proposed changes are notified to the BBC before completion of Phase 3 and subject to Clause 6.1.2 below, CTI obtains the BBC's prior written consent, such consent not to be unreasonably withheld or delayed.

6.1.2 The BBC's consent under Clause 6.1.1 shall not be required where:

- (i) closure of a Station is necessitated by a Force Majeure Event; or
- (ii) closure is required, either on a temporary or a permanent basis, by reason of road building or other civil works carried out by a government or public sector body or

any other person acting under a concession granted by a government or public sector body; or any other person acting under a concession granted by a government or public sector body; or

- (iii) if the change is required by law, any national or supranational regulatory authority, the Radio Regulations, or any statutory obligations.

In such circumstances, the parties agree to make all necessary consequential amendments to this Agreement in accordance with the Change Control Procedure.

- 6.1.3 In making any changes in accordance with this Clause 6.1, CTI will have regard to the BBC's programme scheduling requirements and give the BBC's Representative as much written notice as reasonably practicable, with sufficient details of any proposed changes.

6.2 [*]

6.3 OTHER CHANGES

- 6.3.1 Each of the parties acknowledges that the nature of the Services being provided under this Agreement means that they are likely to change as digital terrestrial television broadcasting develops in the United Kingdom and in Europe.

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6.3.2 Either party may from time to time request or suggest a change to the Services provided under this Agreement. Any such request or suggestion will be dealt with in accordance with the Change Control Procedure.

6.3.3 All modifications or amendments to this Agreement must be in writing and signed by both parties and must specify which Clauses and Schedules are intended to be amended. All modifications or amendments to this Agreement must be agreed in accordance with this Clause 6.

7 PERFORMANCE MONITORING AND REPORTING

7.1 MONITORING

7.1.1 Detailed provisions relating to monitoring and reporting of performance will be contained in the SLA. To the extent that there is any inconsistency between the terms of the SLA and the terms of this Clause 7, the terms of this Clause will prevail unless the parties agree otherwise in writing.

7.1.2 CTI must install and operate monitoring, control and reporting equipment to allow the dynamic checking of:

(i) the integrity of the received and broadcast MPEG transport stream;

(ii) compliance with the ERP and equivalent loss of noise margin requirements; and

(iii) the transmission of the Data against the Transmission Requirements and Target Performance Measures.

7.1.3 The monitoring performed by CTI must comply with the requirements set out in Schedule 8 and such other requirements as are agreed between the parties from time to time.

7.1.4 CTI must monitor the quality of the signal received at the Interfaces. CTI must immediately notify the BBC Operational Point of Contact where any signal interruption or degradation is identified and provide all reasonable assistance to the BBC in establishing and remedying its cause.

7.1.5 [*]

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

[*]

7.1.6 If any process of monitoring or verification which is required by the BBC requires an interruption of the DTT Transmission Service and CTI advises the BBC prior to the performance of the monitoring or verification that such an interruption will be required and gives it the option as to whether or not to continue, CTI will not be required to pay Service Credits if the BBC elects to continue and the monitoring or verification results in an Accountable Incident. If any process of monitoring or verification does not require interruption or the BBC is not advised prior to it being performed that it requires an interruption, then Service Credits will be payable in respect of any Accountable Incident that results from the monitoring or verification.

7.2 COMPLIANCE WITH THE TRANSMISSION REQUIREMENTS AND PERFORMANCE STANDARDS

7.2.1 If the BBC reasonably believes that CTI has failed to comply with the Transmission Requirements or Target Performance Measures or that other impairments to the transmission of the Data have occurred in respect of any of the Stations, it may give to CTI written notice to this effect, and CTI shall carry out checks within seven days of the date of such notice to ascertain whether such failure has taken place and provide the results of such checking to the BBC and take any measures needed to comply with the Transmission Requirements and Performance Standards (provided that, in the event of any dispute between the parties, that dispute shall be referred to the BBC Representative and the CTI Representative and thereafter dealt with according to the contract management procedure set out in Clause 5). Where it is substantiated (either by agreement or by expert determination) that such failure has taken place, then the BBC shall be entitled to recover Service Credits to the extent of a failure to meet the Transmission Requirements in accordance with Clause 11.3.

7.2.2 Performance measurement to ensure compliance with the Transmission Requirements shall take place [*]. During such tests, CTI shall deploy staff at a sufficient number of Stations and will carry out sufficient tests to ensure that the Transmission Network as a whole performs in accordance with the Transmission

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Requirements. In order to perform these tests, the BBC may apply an agreed set of test signals to the Transmission Network, in place of normal programme material. Each of the BBC and CTI shall bear its own costs in respect of such tests. If the network tests described above reveal that the Performance Standards are not being achieved, then:

- (i) CTI must immediately rectify any defects in the Transmission Network so as to ensure that the Performance Standards are achieved;
- (ii) CTI must make the Transmission Network available for re-tests to take place. In undertaking such re-tests, CTI shall endeavour to minimise disruption to the Services. CTI shall be responsible for all costs of such re-tests, including any reasonable costs incurred by the BBC; and
- (iii) CTI will be liable to pay Service Credits in respect of any failure to meet the Performance Standards which is revealed as a result of the network tests until such time as the Performance Standards are met.

7.3 PERFORMANCE REPORTING

7.3.1 CTI will produce a monthly performance review report relating to its compliance with the Transmission Requirements and Performance Standards. The report must be in a form to be agreed between the parties, but must include, as a minimum, the following:

- (i) a list of all Transmission Faults that have occurred during the period covered by the report (including Transmission Faults which are not Accountable Incidents);
- (ii) a separate list of all Accountable Incidents that have occurred during the period covered by the report;
- (iii) information showing details of actual performance which has differed significantly from the Target Performance Measures during the period covered by the report; and
- (iv) such other information as is agreed between the parties from time to time.

7.3.2 The report required under Clause 7.3.1 shall be sent to the BBC Representative within seven days of the end of each month.

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7.4 PERFORMANCE DATABASE

- 7.4.1 All source material relevant to monitoring, as specified in Schedule 8, shall be recorded by CTI in an electronic database more fully described in Schedule 12 (the "PERFORMANCE DATABASE") which will be archived on a monthly basis and the data kept for 3 years from the end of the then current Year.
- 7.4.2 CTI must provide the BBC with on-line access to the Performance Database. The BBC may use and copy the Performance Database and any information or data contained in the Performance Database or otherwise supplied pursuant to this Agreement relating to CTI's compliance with this Agreement solely for the purposes of this Agreement, assessing the performance of digital terrestrial broadcasting generally and in performance of its obligations to the Department of Culture, Media and Sport in relation to this Agreement and the performance of digital terrestrial broadcasting only.
- 7.4.3 If CTI becomes aware at any time that the information contained in the Performance Database is or may be inaccurate, it must promptly notify the BBC and must reprocess the data so that it is accurate and provide the BBC with the revised information. If the BBC considers that the Performance Database is or may be providing inaccurate information it may advise CTI and CTI must promptly investigate the potential inaccuracy.
- 7.4.4 The information provided by the Performance Database will be used for the purpose of measuring CTI's compliance with its obligations under this Agreement. It will be assumed to be accurate unless:
- (i) it is reasonably apparent that it is incorrect or it is likely that it has not been calculated correctly; or
 - (ii) either party demonstrates that it is not correct or that it is likely that it has not been calculated correctly.
- 7.4.5 CTI must provide the BBC with one copy in a format specified by the BBC of such application software as may be required in order to enable the BBC to access the Performance Database (the "SOFTWARE"). CTI hereby licenses the BBC and, subject to Clause 7.4.6 below, wholly-owned subsidiaries of the BBC on a non-exclusive basis for the Term to use the Software at any location from which the BBC conducts business from time to time for the purposes of monitoring the supply of the Services under this

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Agreement, assessing the performance of digital terrestrial broadcasting generally and in performance of its obligations to the Department of Culture, Media and Sport for the Term and a reasonable period thereafter. The BBC may make such backup copies of the Software as may be reasonably required provided that it applies its standard security procedures to the storage of that Software. All copies of the Software shall be returned to CTI by the BBC and its Affiliates on the termination or expiry of this licence.

7.4.6 Any other party may be licensed to use the Software pursuant to Clause 7.4.5 upon:

- (i) the BBC requesting the same of CTI;
- (ii) CTI giving its specific consent (not to be unreasonably withheld or delayed); and
- (iii) the BBC showing that it has procured sufficient confidentiality obligations in relation to such software and the Performance Database to meet CTI's reasonable concerns.

7.4.7 CTI warrants that:

- (i) the Software will, when modified for BBC use pursuant to Clause 7.4.5 above and when provided to the BBC, be of satisfactory quality and fit for the purpose for which it is supplied;
- (ii) the Software will, when modified for BBC use pursuant to Clause 7.4.5 above, and when provided to the BBC, be free from known viruses;
- (iii) the information provided from the Performance Database will be free from material errors; and
- (iv) use by the BBC or its Affiliates of the Performance Database and the Software in accordance with the terms of this Clause 7.4 will not infringe the intellectual property rights of any party.

8 ACCESS

8.1 BBC ACCESS TO STATIONS

8.1.1 The BBC or the BBC's nominated contractor(s) shall be permitted access to each of the Stations at least once per annum per Station by prior notice from the BBC Representative and by arrangement with CTI for the purpose of conducting routine

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checks of the Transmission Network in order to ascertain whether it is meeting the Transmission Requirements.

8.1.2 Where the BBC, or the BBC's nominated contractor(s) on behalf of the BBC, exercises its rights to access to the Stations, CTI may require that the BBC or the BBC's nominated contractor is accompanied by one appropriate member of CTI staff, at CTI's cost.

8.1.3 The BBC shall comply with CTI's or NTL's reasonable regulations as notified to it from time to time when entering into and performing work on CTI's Sites and shall procure that each of its nominated contractors shall do the same. The BBC hereby indemnifies CTI for any loss or damage which it may suffer as a result of any acts or omissions of it or its nominated contractors in this connection.

8.2 BBC ACCESS TO RECORDS

8.2.1 The BBC may by prior notice and arrangement with CTI require access to or copies of any specifications or diagrams of any of the Stations which are in the possession or control of CTI.

8.2.2 The BBC has the right to audit any records on which the billing information provided under Clause 11.2 is based subject to the BBC's agreement to procure that all such records are kept confidential and used only for purposes connected with the verification of such billing information or disputing invoices. Such audit may be conducted by the BBC, or on the BBC's behalf by an independent auditor, not more than twice in each Year of this Agreement and at the BBC's cost. In the event that such audit reveals any discrepancy in any information provided relating to the Charges or in the Charges the BBC and CTI agree to rectify such discrepancy as soon as practicable. If CTI disagrees on the existence of a discrepancy then the matter shall be referred to the Service Management Board. In the event that any audit reveals overpayment by the BBC of more than 1 per cent of the Charges or other amounts payable in any Year of this Agreement, CTI shall be responsible for all costs of the BBC's audit.

8.3 CTI ACCESS TO MASTS, STATIONS AND BBC SITES

8.3.1 CTI will be required, where necessary, to negotiate with other transmitter mast providers to ensure that the BBC Multiplex and other digital terrestrial television multiplexes are radiated from the same mast at each Station.

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- 8.3.2 Where transmitters are required to be installed and operated at sites which are not CTI Sites, CTI is responsible for obtaining such rights of access to that site and the facilities located at that site for itself and for the BBC as are necessary in order for CTI to perform its obligations under this Agreement.
- 8.3.3 CTI may locate such equipment at BBC Sites for purposes of providing the Services as is agreed with the BBC in writing, subject to CTI entering into a Site Sharing Agreement in relation to each such BBC Site at no greater than a nominal charge.
- 8.3.4 For the avoidance of doubt, CTI will be a licensee only in respect of any BBC Site for which a Site Sharing Agreement is entered into and nothing in this Agreement shall imply any relationship of landlord and tenant or operate (save as may be specifically required) to give CTI any greater interest in the BBC Sites than that of a hirer of services. If there is any inconsistency between this Agreement and any Site Sharing Agreement the terms of this Agreement shall prevail.

9 THIRD PARTY SERVICES

Nothing in this Agreement shall prevent CTI from entering into any arrangements with any third parties to provide broadcasting, transmission and/or any other telecommunications services from the Stations. CTI agrees that such new arrangements shall not detrimentally affect the contracted provision of the Services to the BBC and CTI agrees not to use the BBC Multiplex other than for performance of the DTT Transmission Services except as otherwise agreed by the BBC (which agreement may be withheld in the absolute discretion of the BBC).

10 MAINTENANCE AND FAULTS

10.1 FAULT REPORTING AND REPAIR

- 10.1.1 CTI shall provide a fault reporting information system operating in accordance with Schedule 8 and use that system to notify the BBC if it has failed to provide a Service and otherwise to test compliance with the Transmission Requirements and the Target Performance Measures.
- 10.1.2 CTI will repair or otherwise attend to all Transmission Faults in accordance with Schedule 8 and Clause 10.2.

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10.2 ROUTINE MAINTENANCE AND PLANNED INTERRUPTIONS

10.2.1 ROUTINE MAINTENANCE AND INTERRUPTION

- (i) CTI shall only interrupt the DTT Transmission Service or depart from the Transmission Requirements or Performance Standards at any one or more of the Stations for the purposes of access to works, safety and Routine Maintenance if it has agreed such interruption or reduction with the BBC in advance, in which case each interruption or reduction shall be a Planned Interruption. Where such access, safety and Routine Maintenance and/or repairs constitute and cause Accountable Incidents, the BBC shall be entitled to recover Service Credits calculated in accordance with Schedule 8.
- (ii) The BBC's prior agreement is not needed where CTI is obliged to carry out work because of any legal or regulatory requirement or if either the Radiocommunications Agency or the BBC has asked it to investigate or rectify any Harmful Interference. If any legal or regulatory requirement is not immediate, CTI shall agree any interruption or departure with the BBC and the BBC agrees to consider such requests in good faith with a view to ensuring that CTI is not in breach of any such legal or regulatory requirement. In all such circumstances, such interruptions or departures shall not be an Accountable Incident.

10.2.2 PLANNED INTERRUPTIONS

- (i) CTI may reduce or affect the Transmission Requirements or Performance Standards in order to carry out inspections, alterations, installation works, renewal of or repairs to any equipment at any Station forming part of the Transmission Network, including any reduced power operation at any Station and any notified power outages, provided CTI shall not cause or otherwise permit such interruptions without first giving reasonable advance notice to the BBC, and shall obtain agreement from the BBC as to the dates and times that such interruptions shall take place, such agreement not to be unreasonably withheld or delayed. Such interruptions shall be "Planned Interruptions". CTI shall use all reasonable endeavours to minimise such Planned Interruptions. Where the reduction or effect to the Transmission Requirements or Performance Standards constitute and cause

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Accountable Incidents, the BBC shall be entitled to recover Service Credits calculated in accordance with Schedule 8.

- (ii) The BBC's prior agreement to a Planned Interruption is not needed where CTI is obliged to carry out work because of any legal or regulatory requirement. If any legal or regulatory requirement is not immediate, CTI shall agree any reduction with the BBC and the BBC agrees to consider such requests in good faith with a view to ensuring that CTI is not in breach of any such legal or regulatory requirement. If any Planned Interruption is a result of any legal or regulatory requirement, the interruption shall not constitute an Accountable Incident.

10.3 EMERGENCY FAULT REPAIR

- 10.3.1 In the event of any interruption to the provision of the Services as a result of a Force Majeure Event, or an imminent fault reasonably apparent to CTI, CTI may interrupt the transmission of the Data for the purposes of dealing with the emergency. CTI will give the BBC Representative immediate notice of the event and whenever possible shall give notice to the BBC Representative of the duration of the interruption.
- 10.3.2 CTI shall use all reasonable endeavors to minimise the duration and effect on the provision of the Services of any unscheduled interruption or fault.
- 10.3.3 In the case of an emergency, when transmission of the Data cannot be restored at full power, reduced power will be employed.
- 10.3.4 An Interruption of Services for an emergency will constitute an Accountable Incident unless it is a consequence of a Force Majeure Event.

10.4 GRADED BROADCASTS

- 10.4.1 The BBC will notify CTI annually of the Graded Broadcasts that it expects to occur during the following year. If an urgent Graded Broadcast occurs which was not included in the annual notification, the BBC will give CTI as much notice of the Graded Broadcast as it is reasonably able to give.
- 10.4.2 Subject to Clause 10.4.1, CTI must not conduct any planned or Routine Maintenance during a Graded Broadcast or during a reasonable period either side of a Graded Broadcast, the duration of that period to be agreed on a case by case basis by the parties.

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10.5 SERVICE PRIORITIES

10.5.1 When all or any of the Services cannot be restored at full power, reduced power operation of all or any of the Services will be employed, if no other arrangements are available to maintain the agreed Services. If it is not possible to restore Services to all or any of the Stations, the Operational Priority Stations will be restored first, and in accordance with an order to be agreed with the BBC. If CTI is also providing analogue or digital transmission services to third parties, the parties will hold discussions in good faith with a view to agreeing the order of priority for restoration of those services with the principle being that the BBC's services should be given at least as high a priority as the services of any other party.

10.5.2 During a state of national emergency, a different order of priority may be introduced and CTI will comply with the instructions of the BBC Representative or such other person as is authorised to give such instructions provided these instructions are not in breach of any other instructions given by representatives of Her Majesty's Government.

10.6 DISASTER RECOVERY

10.6.1 CTI shall discuss and comply, where any BBC disaster recovery plan covers the Services or any part of the Services, with the reasonable requirements of the BBC disaster recovery plan or any other emergency procedures which may be developed from time to time and notified to CTI by the BBC.

10.6.2 CTI must implement and comply with the requirements relating to Disaster Recovery as set out in Schedule 11.

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PART E - PRICING

11 CHARGES, PAYMENT AND BILLING

11.1 CHARGES AND PAYMENT FOR THE SERVICES

The Charges payable under this Agreement by the BBC shall be calculated as set out in Schedule 2. The Charges for each Year will be paid in 12 monthly installments. In addition to the Charges, the BBC will pay all fees payable pursuant to the WTA Licences held by CTI for the purposes of carrying out its obligations under this Agreement, subject to CTI providing the BBC in advance with copies of such WTA Licences and evidence from the Radiocommunications Agency of the level of, and obligation to pay, such fees.

11.2 INVOICES

11.2.1 CTI will invoice the BBC monthly in arrears, with invoices to be issued at the end of each month. All invoices will be addressed to the BBC Representative.

11.2.2 Each invoice rendered by CTI must be accompanied by such billing information and be in such format as the BBC may reasonably require.

11.2.3 Except as set out in Schedule 2, all correct Charges on an invoice submitted by CTI under this Agreement will be payable by the BBC at the end of the month following the month in which a correctly prepared invoice is received by the BBC. The BBC will pay by cheque, or by such other method as may be agreed from time to time between the parties without any set-off, deductions or withholdings other than as set out in this Agreement.

11.2.4 In the event that any Charges are disputed, the BBC shall be entitled to withhold any disputed amounts, provided the BBC shall have given reasonable notice to CTI of the dispute relating to the Charges together with a reasonable description of the basis on which the BBC is disputing the Charges. In the event that any Charges are withheld by reason of a dispute, CTI and the BBC will both use their best endeavors to resolve any such disputed amount prior to the time of delivery of CTI's next invoice.

11.3 FAILURE TO MEET SERVICE OBLIGATIONS - SERVICE CREDITS

11.3.1 The Charges payable hereunder will be subject to Service Credits, calculated in accordance with Schedule 8. Any Service Credits incurred will be set off against the Charges payable under the first invoice rendered by CTI following the month in which

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the obligation to give Service Credits is determined in accordance with Schedule 8. Service Credits are intended to act as an incentive to CTI to provide quality services to the BBC and is not intended to result in a lower price being paid for a poorer quality service.

- 11.3.2 Service Credits will not be available to the BBC to the extent that the failure of CTI to meet all or any part of its obligations under this Agreement results directly from the BBC's act, fault or omission or from any Force Majeure Event or from any failure of the BBC to comply with the WT Act and shall not be payable in respect of a Station until that Station has been accepted and is in service.
- 11.3.3 CTI's total aggregate liability in respect of all obligations to pay Service Credits in any one Year, will be [*].
- 11.3.4 To the extent that any obligation of CTI to pay Service Credits is due to a new technology problem which does not arise through any fault of CTI and is beyond CTI's reasonable control, the BBC will waive its right to the payment of Service Credits for the period beginning on the date on which the BBC and CTI have agreed in good faith a process to resolve the problem and ending on the date that CTI has achieved a workable solution to such a problem, PROVIDED always that CTI has at all times used all reasonable efforts to achieve such solution as soon as is reasonably possible.
- 11.3.5 If, after provision of the DTT Transmission Service has commenced by CTI, there is a total failure to transmit the Data across the Transmission Network in circumstances where the failure to transmit is an Accountable Incident, rather than a partial failure to transmit any of the Data, for anything other than an immaterial period of time having regard to the nature of the Data, then CTI shall not [*]. The BBC shall not be entitled to obtain such services elsewhere if CTI is able at any reasonable time to perform such services and undertakes to do so, subject to any rights of termination under Clause 12, and subject to a reasonable period following notice of CTI's intention to recommence performance of the Services. If CTI pays any monies under this Clause, no Service Credits shall be

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payable in respect of the period of time for which there is a failure to perform which is compensated under this Clause.

11.3.6 The right to claim Service Credits under this Clause 11.3 is without prejudice to any other right that the BBC may have if CTI fails to comply with the terms of this Agreement.

11.4 [*]

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[*]

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PART F - TERM AND TERMINATION

12 TERM AND TERMINATION

12.1 COMMENCEMENT AND RENEWAL

12.1.1 This Agreement will come into force on the Effective Date and, subject to this Clause 12, shall continue in force for the Term. It will continue after the Term until terminated by either party on six months' notice expiring on or after the end of the Term.

12.2 TERMINATION ON CESSATION OF DTT

12.2.1 The BBC may terminate this Agreement by giving CTI at least one year's written notice at any time during the three-month period following the fifth anniversary of the Phase 1 Launch Date, in the event that the Board of Governors of the BBC (or such equivalent body as may replace it) believes, at its sole discretion, that DTT does not have sufficient public take-up to justify continuing to provide the Services. In the event of termination of this Agreement by the BBC pursuant to this Clause 12.2.1 the BBC shall not obtain digital television transmission services in the UK from any service provider other than CTI for a period of five years from the date of termination. The parties acknowledge that the right to terminate set out in this Clause 12.2.1 has been granted because of the BBC's position as a public service broadcaster at the date of this Agreement, but that it is in no way conditional upon the BBC remaining so.

12.2.2 If the BBC terminates this Agreement under Clause 12.2.1, then it must pay to CTI a termination payment by cash, cheque or bank transfer (subject to the BBC's right to set off any monies which the BBC and CTI agree or have previously agreed are due to the BBC from CTI or any outstanding Service Credits) calculated in accordance with Part 2 of Schedule 2 within 30 days after the Agreement terminates. This Agreement will continue in full force and effect for the period of the notice.

12.2.3 Termination of this Agreement under Clause 12.2.1 shall give the BBC no right to purchase Dedicated Equipment under the procedure set out in Clause 13.2 below.

12.3 TERMINATION FOR INSOLVENCY

Either party has the right to terminate this Agreement with immediate effect by notice if:

12.3.1 a liquidator, administrative receiver, administrator or receiver is appointed (other than for the purpose of an amalgamation or reconstruction the terms of which have been

previously approved by the party having the right to terminate (such approval not to be unreasonably withheld or delayed in the case of a solvent amalgamation or reconstruction)) in respect of the whole or a material part of the assets and/or undertaking of the other party; or

12.3.2 the other party enters into an arrangement or composition with its creditors, or if it becomes unable to pay its debts within the meaning of Section 123 of the Insolvency Act 1986.

12.4 SUSPENSION/TERMINATION OF INDIVIDUAL SERVICES

12.4.1 CTI may suspend provision of the Services in whole or in part until further notice on notifying the BBC either orally (confirming such notification in writing), or in writing with immediate effect if:

(i) CTI is entitled to terminate this Agreement; or

(ii) CTI is obliged to comply with an order, instruction or request by any Government minister, the Home Office, the Channel Islands or Isle of Man authorities, an emergency services organisation or other competent administrative authority.

12.4.2 If CTI exercises its right of suspension in respect of an event referred to in Clause 12.4.1(i), this will not exclude CTI's right to terminate this Agreement later in respect of that or any other event, nor will it prevent CTI from claiming damages from the BBC resulting from such event if the BBC is in breach of this Agreement.

12.4.3 Notwithstanding Clause 12.4.1(ii), it is acknowledged that, in the event of an emergency, the respective obligations of the BBC and CTI will be governed by special arrangements under the relevant Emergency Powers and CTI agrees that it will not suspend service to the BBC other than on, or in order to comply with, the instructions by the relevant authorities in the event of an emergency.

12.5 FORCE MAJEURE

12.5.1 In the event of the occurrence of a Force Majeure Event affecting either CTI or the BBC, the affected party shall give notice in writing thereof to the other party as soon as possible and shall likewise give notice on the cessation of the Force Majeure Event. The parties agree to discuss a course of action and to comply with any agreed course of action pursuant to Clause 12.5.2. Subject thereto, if the Force Majeure Event continues

for a period of more than 60 days following a failure to either agree a course of action under Clause 12.5.2 or to comply with such a course of action, then the non-defaulting party shall have the right to terminate where the Force Majeure Event affects all or substantially the whole of the Stations comprised in all or part of this Agreement, all or that part of this Agreement by not less than 30 days' prior notice.

12.5.2 Where a Force Majeure Event occurs, other than one affecting delivery of the Data to CTI for transmission which causes suspension of the Services, CTI will use its reasonable endeavors to continue to carry out the Services while any Force Majeure Event subsists. Where this is not possible, the BBC and CTI shall discuss and agree the most appropriate course of action to be taken for a resumption of the Services and/or the provision of a temporary service and the timescale within which such action is to be taken. If, having agreed a timescale for the resumption of any Service, CTI shall fail to comply with that timescale, not having agreed any extension of time where the failure is not itself caused by another Force Majeure Event, then the BBC shall be entitled to serve notice on CTI requiring that:

- (i) in the case of a Force Majeure Event affecting the DTT Transmission Services, unless the DTT Transmission Services are resumed within a period of seven working days for an Operational Non-Priority Station and three working days for an Operational Priority Station from the date of delivery of the notice, then the BBC shall be entitled to receive Service Credits for that Station from the end of the seven-day or three-day period referred to above to the date on which the Services are resumed or a temporary service provided;
- (ii) in the case of a Force Majeure Event affecting the rollout of any Station, unless that Station is Accepted by the agreed revised Launch Date for that Station, CTI will be liable to pay liquidated damages in respect of that Station calculated in accordance with Clause 16.6.

12.5.3 To the extent that any Force Majeure Event relates to the provision of either the Emergency Services or compliance by CTI with a direction under Section 94 of the Telecoms Act, the provisions of this Agreement relating to Emergency Services shall prevail and Clause 12.5 shall not take effect if it would only have taken effect by reason of events giving rise to the need for CTI to perform the Emergency Services or in accordance with the relevant direction.

12.5.4 Subject to Clause 12.5.2, neither party shall be liable to the other for any failure to perform its obligations (excluding payment obligations) under this Agreement where that failure is caused by a Force Majeure Event.

12.6 TERMINATION FOR BREACH

12.6.1 If a party is in material breach of this Agreement (the "BREACHING PARTY"), the other party may give it a written notice requiring the breach to be remedied within 45 days.

12.6.2 If the breach is material or could amount to a material breach if not remedied and, in either case, is remediable, and the Breaching Party fails to remedy the breach within the time specified in the notice requesting the breach to be remedied, then the non breaching party may terminate this Agreement immediately or on such longer period of notice as is specified in the notice of termination.

12.7 TERMINATION ON CHANGE OF CONTROL

12.7.1 The BBC will be entitled to terminate this Agreement immediately by notice or on such period of notice as is specified in the notice of termination if there is a Change of Control of a Relevant Company other than on:

- (i) a transfer of Shares between an existing shareholder in a Relevant Company and an Associate of such shareholder; or
- (ii) the creation of a mortgage, charge, encumbrance or security interest over or in respect of any Shares of a Relevant Company.

12.7.2 CTI shall notify the BBC as soon as possible after it or any Relevant Company becomes aware of any Change of Control of a Relevant Company, or of any potential Change of Control or other circumstances which would or might give rise to a termination right under this Clause 12.7.

12.7.3 The BBC agrees that it will only exercise its rights to terminate pursuant to a Change of Control which arises in the circumstances set out in paragraph (i)(a) or (iii) of the definition of "Change of Control" set out in clause 12.7.4 if it reasonably considers that the event giving rise to such right is contrary to the BBC's corporate interests and/or those of Her Majesty's Government. The BBC agrees that a notice of termination (regardless of the period of notice set out in such notice), and whatever the circumstances giving rise to that right, will be given by the BBC within three months of

receipt of notice of the relevant event and may not be given thereafter. The BBC agrees to consider in good faith any requests for the sale of the Relevant Company's Shares or any other arrangement which might otherwise give rise to a termination right having regard to the reasonable interests of the BBC and each Relevant Company and those of Her Majesty's Government.

12.7.4 For the purposes of this Clause 12.7:

"ACTING IN CONCERT" has the meaning given to it in The City Code on Takeovers and Mergers;

"ASSOCIATE" means, in relation to a person, (a) a subsidiary or holding company (as those terms are defined by Section 736 of the Companies Act 1985) of that person or a subsidiary of that person's holding company (a "GROUP COMPANY"); (b) any limited partnership, the general partner of which is a Group Company; (c) any limited partner in any limited partnership, the general partner of which is a Group Company; (d) any fund managed or advised by a Group Company; (e) any employee of such person or any Group Company; or (f) who is a partnership, that partnership's constituent partners.

"CONTROL" has the meaning given to it in Schedule 2, Part I paragraph (3)(b) of the Broadcasting Act 1990, as amended by the 1996 Act; and "Controlled" has a corresponding meaning;

"CHANGE OF CONTROL" means in relation to a Relevant Company:

- (i) before a Listing, where a Third Party acquires, obtains in any manner or in any circumstances comes to hold:
 - (a) Control of a Relevant Company;
 - (b) a Relevant Interest in a Relevant Company's Share capital; or
 - (c) such Interest in the Relevant Company's Share capital as would, when taken with that already held by such Third Party or by any Associate of, or person Controlled by or Acting in Concert with, such Third Party, amount to a Relevant Interest;
- (ii) on or after a Listing, where a Third Party acquires, obtains in any manner or in any circumstances comes to hold:

- (a) a Relevant interest in a Relevant Company's Share capital; or
- (b) such Interest in the Relevant Company's Share capital as would, when taken with that already held by such Third Party or by any Associate of, or person Controlled by or Acting in Concert with, such Third Party, amount to a Relevant Interest;
- (iii) on or after a Listing, a Third Party, by itself or together with any persons Acting in Concert with it, obtaining in any manner or in any circumstances coming to hold an Interest in 25 per cent or more of the Shares of a Relevant Company and Control of the Relevant Company,

PROVIDED THAT any scheme of arrangement for the purpose of reconstruction or reorganisation of the assets of a Relevant Company shall not, without further alteration in Control, constitute a Change of Control;

"INTEREST" means, in relation to the Shares of a Relevant Company, any legal or beneficial interest in them, or any right or power (whether conditional or unconditional and whether legally enforceable or otherwise) to exercise control (directly or indirectly) over the disposal of those Shares or over the manner of exercise of any right to vote in a general meeting attached to such Shares;

"LISTING" means the first listing of any of the Shares of any Relevant Company on any stock exchange or public dealings facility and "listed" shall be construed accordingly;

"RELEVANT COMPANY" means CTI or any holding company (as that term is defined by Section 736 of the Companies Act 1985) of CTI;

"RELEVANT INTEREST" means, in relation to any Shares of a Relevant Company an Interest in 30 per cent or more of the Relevant Company's Shares;

"RELEVANT PERSON" means, in relation to a Relevant Company, any person or any one of two or more persons Acting in Concert who have Control of the Relevant Company;

"SHARES" means, in relation to a Relevant Company, the shares in the relevant share capital (as that expression is defined in Section 198(2) of the Companies Act 1985) of that Relevant Company and shall include any shares which have been allotted (whether conditionally or unconditionally); and

"THIRD PARTY" means any person other than a Relevant Person or an Associate of a Relevant Person.

13 CONSEQUENCES OF EXPIRATION OR TERMINATION

13.1 ACCRUED RIGHTS

Expiration or termination for whatever reason of this Agreement will not affect any rights of the parties which have accrued prior to the expiration or termination including, without limitation, any right to claim damages for breach of this Agreement.

13.2 RIGHT TO PURCHASE DEDICATED EQUIPMENT

The provisions of this Clause 13.2 shall apply mainly in the event of termination of this Agreement by the BBC for breach by CTI pursuant to Clause 12.6 hereof.

13.2.1 For purposes of this Clause 13-2:

- (i) "DEDICATED EQUIPMENT" means the CTI Equipment and Third Party Equipment.
- (ii) "CTI EQUIPMENT" means any equipment owned by CTI and used by CTI solely for purposes of providing the Services to the BBC.
- (iii) "THIRD PARTY EQUIPMENT" means any equipment used (but not owned) by CTI solely for the purposes of providing the Services to the BBC.
- (iv) "FAIR MARKET VALUE" means the market value for the Dedicated Equipment. If the parties are unable to agree as to Fair Market Value within what either party considers is a reasonable timeframe, either party may refer the issue to an expert accountant appointed by the Chairman of the Chartered Institute of Accountants for adjudication and, subject to any manifest error on the face of the determination, the parties will comply with the terms of such determination and treat it as final. The parties will bear their own costs of the adjudication and one half of the costs of the adjudicator.
- (v) "NET BOOK VALUE" means the value recorded in CTI's financial accounts for the Dedicated Equipment in accordance with UK GAAP.

13.2.2 At least 90 days prior to the expiration or termination of this Agreement or, where this Agreement is terminated on a shorter period of notice, within 30 days of receipt of a

notice of termination of this Agreement, CTI must, if requested to do so by the BBC, provide the BBC with a list which:

- (i) identifies the nature and location of the Dedicated Equipment;
- (ii) gives the Net Book Value of the Dedicated Equipment at the date on which the list is given;
- (iii) identifies what rights CTI has in relation to the Dedicated Equipment; and
- (iv) identifies circumstances where transfer of such rights as CTI has in the Third Party Dedicated Equipment to the BBC would require the consent of a third party.

13.2.3 Within 90 days of receipt of a list under Clause 13.2.2, the BBC must advise CTI whether or not it wishes to acquire some or all of the Dedicated Equipment. If the BBC does not respond within 90 days of receipt of such list, then it will be deemed to have elected not to purchase any of the Dedicated Equipment. If the BBC does wish to acquire some or all of the Dedicated Equipment, the following provisions will apply:

- (i) Where all of CTI's rights in respect of the Dedicated Equipment may be assigned or transferred to the BBC without the consent of any other person, CTI must assign or transfer such rights to the BBC if requested to do so by the BBC;
- (ii) Where any of CTI's rights in respect of the Third Party Equipment cannot be assigned or transferred to the BBC without the consent of another person, CTI must if requested to do so by the BBC use its reasonable endeavors to obtain, at such cost as the parties agree to be reasonable in the circumstances, all such consents and if such consents are obtained, CTI must then assign or transfer such rights to the BBC.
- (iii) The price payable by the BBC to CTI for the Dedicated Equipment shall be the Fair Market Value. The BBC shall initially pay CTI the Net Book Value in respect of the CTI Equipment and its fair estimate of the Fair Market Value of the Third Party Equipment (the "PROVISIONAL PAYMENT"). On making the Provisional Payment to CTI the BBC shall be entitled to use the Dedicated Equipment as if title had passed to it. Upon Fair Market Value being determined by agreement or adjudication, as the case may be, compensating payment shall be made within 30 days of this

determination as necessary between CTI and the BBC to reflect the difference between the Provisional Payment and determined Fair Market Value.

- (iv) Title to any Dedicated Equipment the ownership of which is transferred or assigned under this Clause 13.2 will transfer on payment of the compensating amount payable under Clause 13.2.3(iii).
- (v) CTI must deliver to the BBC such technical or user documentation relating to any Dedicated Equipment where the rights in that Dedicated Equipment are transferred or assigned to the BBC under this Clause 13.2.
- (vi) The Dedicated Equipment will be sold "as is where is" without the benefit of any warranties or conditions whatsoever whether express or implied, other than the benefit of any warranties or conditions which are held by CTI and provided by a third party and which remain in force as at the date of the list, the benefit of which CTI will use reasonable endeavors to assign to the BBC.
- (vii) CTI will, at the BBC's expense, detach and deliver the Dedicated Equipment as soon as reasonably practicable after title has passed.

13.3 HANDOVER AND EXIT MANAGEMENT

- 13.3.1 If requested to do so by the BBC, CTI will continue to provide the Services to the BBC for a period of up to 6 months after expiration or termination of this Agreement on the terms of this Agreement, to allow the BBC to hand over responsibility of the Services to the BBC or a Successor Operator. During that 6 month period, the Charges payable by the BBC will be the Charges paid for the previous 6 months adjusted by reference to the RPI for the previous financial year.
- 13.3.2 During the period prior to and for six months following expiration or termination of this Agreement CTI must at no cost to the BBC:
 - (i) co-operate fully with the BBC or a Successor Operator and use reasonable endeavors to ensure a seamless transition in passing responsibility for the Services to the BBC or a Successor Operator;
 - (ii) respond to reasonable questions and requests for assistance from the BBC or a Successor Operator in relation to the Services; and

- (iii) provide reasonable assistance to the BBC or a Successor Operator to enable them to obtain access to Stations and masts.

13.4 DETAILS OF EMPLOYEES

Six months before the termination or assignment of this Agreement, or if this Agreement is terminated without notice for any reason as soon as reasonably practicable, but in either case if requested to do so by the BBC, CTI will provide, and will procure that any Relevant Employers will provide, to the BBC, or at the BBC's request to the Successor Operator, the following particulars of the Employees employed as at that date to the extent permitted by law:

13.4.1 name, sex and the date on which continuity of employment began for each Employee for statutory purposes;

13.4.2 the terms and conditions of employment of each such Employee;

13.4.3 all payments, benefits or changes to terms and conditions of employment promised to any such Employee;

together with particulars of:

13.4.4 dismissals of any other Employees or terminations of employment effected within 12 months of the Transfer Date;

13.4.5 all agreements or arrangements entered into in relation to any such Employee between CTI or any other Relevant Employer and any trade union or association of trade unions or organisation or body of employees including elected representatives; and

13.4.6 all strikes or other material industrial action taken by any such Employee within 12 months of the Transfer Date.

13.5 TRANSFER REGULATIONS

13.5.1 On termination of this Agreement the Transfer Regulations may transfer the Relevant Employees to the BBC or the Successor Operator. If the Transfer Regulations have effect the following provisions shall apply:

- (i) the contract of employment of each of the Relevant Employees (save insofar as such contract relates to any occupational pension scheme) shall be transferred to the BBC or, as the case may be, the Successor Operator with effect from the Transfer Date which shall be the "time of transfer" under the Transfer Regulations;

- (ii) CTI shall perform and discharge all its obligations in respect of all the Relevant Employees for its own account up to and including the Transfer Date including, without limitation, discharging all wages and salaries of the Relevant Employees, all employer's contributions to any relevant occupational pension scheme and all other costs and expenses related to their employment (including, without limitation, any taxation, accrued holiday pay, accrued bonus, commission or other sums payable in respect of service prior to the close of business on the Transfer Date) and shall indemnify the BBC or the Successor Operator, as the case may be, and keep the BBC or the Successor Operator indemnified against each and every action, proceeding, liability (including, without limitation, any taxation liability directly related to the Relevant Employees), cost, claim, expense (including, without limitation, reasonable legal fees), or demand arising from CTI's failure so to perform and discharge. The BBC shall, or, as the case may be, shall procure that the Successor Operator shall perform and discharge all such obligations from the Transfer Date;
- (iii) CTI shall indemnify (on an after-tax basis) the BBC or the Successor Operator, as the case may be, and keep the BBC or the Successor Operator so indemnified against each and every action, proceeding, cost, claim, liability (including, without limitation, any taxation liability directly related to the Relevant Employees), expense (including, without limitation, reasonable legal fees) or demand which relates to or arises out of any act or omission by CTI or any other event or occurrence prior to the Transfer Date and which the BBC or the Successor Operator, as the case may be, may incur in relation to any contract of employment or collective agreement concerning one or more of the Relevant Employees pursuant to the provisions of the Transfer Regulations or otherwise including, without limitation, any such matter relating to or arising out of:
 - (a) CTI's rights, powers, duties and/or liabilities (including, without limitation, any taxation) under or by virtue of any such contract of employment or collective agreement, which rights, powers, duties and/or liabilities (as the case may be) are or will be transferred to the BBC or the Successor Operator in accordance with the Transfer Regulations; or

- (b) anything done or omitted before the Transfer Date by or in relation to CTI in respect of any such contract of employment or collective agreement or any Relevant Employee, which is deemed by the Transfer Regulations to have been done or omitted by or in relation to the BBC or the Successor Operator;
- (iv) if any contract of employment or collective agreement which is not in accordance with Clause 13.4 above disclosed in writing to the BBC, or at its request to the Successor Operator, by CTI prior to the Transfer Date shall have effect as if originally made between the BBC or the Successor Operator and any employee ("UNDISCLOSED EMPLOYEE") or a trade union as a result of the provisions of the Transfer Regulations (without prejudice to any other right or remedy which may be available to the BBC or the Successor Operator):
 - (a) the BBC or the Successor Operator may, within 3 months of the Transfer Date upon becoming aware of the application of the Transfer Regulations to any such contract of employment or collective agreement, terminate such contract or agreement forthwith, and CTI shall indemnify the BBC or the Successor Operator (on an after-tax basis) in respect of any Undisclosed Employee so dismissed on the same terms mutatis mutandis as CTI has indemnified the BBC or the Successor Operator in respect of a Relevant Employee pursuant to the terms of Clause 13.5.1 (ii) and 13.5.1 (iii); and
 - (b) CTI shall indemnify the BBC or the Successor Operator (on an after-tax basis) against each and every action, proceeding, cost, claim, liability (including, without limitation, reasonable legal fees) or demand relating to or arising out of such termination and reimburse the BBC or the Successor Operator for all costs and expenses (including, without limitation, any taxation) incurred in employing such employee in respect of his employment following the Transfer Date;
 - (v) CTI shall indemnify (on an after tax-basis) the BBC or the Successor Operator and keep the BBC or the Successor Operator so indemnified against each and every action, proceeding, cost, claim, liability (including, without limitation, any taxation), expense (including, without limitation, reasonable legal fees) or demand which relates to or arises out of any dismissal (including, without limitation, constructive dismissal) by CTI of any employee (not being a Relevant Employee) which the BBC

or the Successor Operator may incur pursuant to the provisions of the Transfer Regulations;

(vi) If CTI assigns this Agreement to the CTI Assignee, or sub-contracts its obligations under this Agreement in respect of all or part of the Services to any firm, person or company (the "CTI SUB-CONTRACTOR"), CTI shall procure that the CTI Assignee or, as the case may be, the CTI Sub-Contractor will indemnify the BBC and the Successor Operator in the same terms, mutatis mutandis, as CTI has indemnified the BBC and the Successor Operator in this Clause 13.5.1.

13.5.2 In Clause 13.5.1 the undertakings and indemnities given by CTI to the Successor Operator shall be given to the BBC for itself and as trustee for any BBC Assignee or the Successor Operator.

13.6 REDUNDANCY COSTS

13.6.1 In this clause "REDUNDANCY COSTS" means notice pay, statutory redundancy pay, contractual redundancy pay and any Losses incurred by the BBC or a Successor Operator in connection with any claims arising out of or in connection with the dismissal of any Relevant Employee pursuant to Clause 13.6.2.

13.6.2 The CTI will reimburse to the BBC or, as the case may be, a Successor Operator the Redundancy Costs incurred by the BBC or such Successor Operator in connection with the dismissal by reason of redundancy, reconstruction or reorganisation of any Relevant Employee within twelve months of the expiry or earlier termination of this Agreement and will make such reimbursement within 28 days of being notified of such Redundancy Costs. The undertakings given in this Clause 13.6.2 to the Successor Operator shall be given to the BBC for itself and as trustee for the Successor Operator.

PART G - LIABILITY, WARRANTIES AND INSURANCE

14 WARRANTIES AND UNDERTAKINGS

- 14.1 CTI hereby warrants and undertakes that it has applied for, and the Radiocommunications Agency has agreed to grant, conditional only on execution of this Agreement, or will grant by the time required by law, and will hold during the Term, all necessary licences and consents under the Telecoms Act and the WTA and, subject to Clause 4.4, all consents and clearances of whatever nature as are required to enable it to perform its obligations under this Agreement (other than frequency allocation and clearances which it is the BBC's obligation to obtain) and shall comply with the terms of all such licences, clearances and consents and shall not do anything or omit to do anything which would cause such licences, clearances or consents to be revoked or not renewed.
- 14.2 The BBC shall obtain at its own expense and hold during the Term all necessary licences and consents under the Charter and DNH Agreement, the Broadcasting Act, the 1996 Act, the WTA and the Telecoms Act and all consents, clearances and other rights of whatsoever nature including, without limitation, any necessary licence and consent which the BBC may require in relation to the BBC Multiplex which in each case are required to permit the BBC to perform its obligations under this Agreement and otherwise and shall do all things necessary to comply with the terms of such licences, clearances and consents and shall not do anything or omit to do anything which would cause such licences, clearances and consents to be revoked or not renewed.
- 14.3 CTI shall do all things reasonably necessary to renew any leases or licences for the sites on which the Stations are located, so that they subsist for the duration of this Agreement or any agreed renewal of the same.

15 INSURANCE

- 15.1 Both parties must maintain insurance against any loss, damages, claims or actions arising from:
- 15.1.1 personal injury or death;
 - 15.1.2 public liability; and/or
 - 15.1.3 any other liability for which either is required by law to insure,

arising out of the performance of this Agreement.

- 15.2 CTI must maintain insurance cover adequate to cover the risks which it is likely to incur in relation to the subject matter of this Agreement, with a minimum of:
- 15.2.1 primary public and product liability insurance in a form reasonably acceptable to the BBC providing for payment of a sum up to (Pounds)50 million for any one occurrence (or in the annual aggregate for product liability) and, in the case of third party property damage arising out of the use of private vehicles, unlimited cover and, in the case of third party property damage, arising out of the use of commercial vehicles, (Pounds)5 million in respect of one occurrence;
 - 15.2.2 employer's liability insurance sufficient to meet its statutory requirements and sufficient to cover any liabilities to past or present employees;
 - 15.2.3 all risks or loss or damage to property and business interruption insurance in a form reasonably acceptable to the BBC in respect of each of the Stations, the CTI Sites and all equipment used to provide the Services covering the full reinstatement value of all such assets and the reasonable cost of any replacement transmission services from the Stations or any other stations used to supply any part of the DTT Transmission Services; and
 - 15.2.4 professional indemnity insurance of at least (Pounds)5 million per year, commensurate with the nature of the risks undertaken in that year.
- 15.3 Where requested by the BBC, CTI agrees to provide the BBC with a copy of the relevant policy or policies or evidence of such insurance and its material terms referred to in this Clause 15 which shall be treated as Confidential Information belonging to CTI. CTI will also notify the BBC of any substantive change to the insurance programme maintained by it and referred to in this Clause 15 for the risks covered.
- 15.4 Where CTI engages a sub-contractor, it shall ensure that its insurance includes cover for its liabilities in respect of the acts and omissions of its sub-contractors or that its sub-contractors have their own insurance with appropriate cover in the light of the work to be undertaken by the sub-contractors.

16 LIABILITY AND WARRANTIES

16.1 For purposes of this Clause 16, "CONTRACTS" means this Agreement, any Site Sharing Agreement entered into pursuant to this Agreement and any other agreement between the parties relating to the subject matter of this Agreement.

16.2 PERSONAL INJURY AND DAMAGE TO PROPERTY

16.2.1 Each of the BBC and CTI shall indemnify the other on an after-tax basis against all claims or actions brought against the other by any third party relating to:

- (i) personal injury; or
- (ii) loss of, or damage to, property; or
- (iii) Harmful Interference caused to analogue or digital broadcasts, excepting any such claims made by viewers;

caused as a result of any breach of this Agreement or any wilful or negligent act or wilful or negligent omission by the party from whom indemnification is sought. Without limiting the generality of this Clause 16.2.1, CTI will indemnify the BBC on an after-tax basis against any claims made against the BBC by any party as a result of damage caused by CTI to the property of that party in installing, maintaining or operating transmitters for provision of the DTT Transmission Services.

16.2.2 Each of the BBC and CTI will indemnify the other on an after-tax basis against any loss incurred by the relevant party resulting from damage to that party's property or injury to its employees or the employees of its agents or sub-contractors arising out of any breach of any of its obligations, warranties or undertakings contained in any of the Contracts or any other agreements between the parties relating to the provision of the Services or any other negligent or wilful act or omission of the party from whom an indemnity is sought.

16.2.3 The party from whom indemnification is sought shall have the right to conduct any proceedings brought by a third party against the other party or to settle any such proceedings subject to reimbursing the other party any costs of such proceedings and any damages, costs and expenses payable by the indemnified party arising out of those proceedings. Both parties will notify the other as soon as possible of the existence of a

claim which is reasonably likely to give rise to a claim for indemnification under this Clause 16.2.

- 16.2.4 Neither party excludes or restricts liability for death or personal injury resulting from its own negligence or from liability arising under the Health and Safety at Work Act 1974 or any regulations made pursuant to that Act.

16.3 THIRD PARTY ACTS

Neither CTI nor the BBC shall be held responsible for the consequences of any act or omission or misconduct of any third party, unless:

- 16.3.1 such third parties are in the employment of or providing sub-contracted services to either CTI or the BBC at the time the Incident takes place; or
- 16.3.2 the party claimed against has recovered damages in respect of such act, omission or misconduct directly from the relevant third party or otherwise where it has recovered insurance (and in each such case to the extent of such recovery or insurance claim) provided that where such party is entitled to claim damages and/or recover under such insurance policy it shall use all reasonable endeavours to do so as soon as reasonably practicable.

16.4 BBC LIABILITY

- 16.4.1 The BBC shall not be liable, whether in contract, tort, negligence, breach of statutory duty or otherwise, to CTI for loss of profits other than any element of profit comprised in the Charges or for any indirect, special, incidental or consequential loss whatsoever arising out of its performance of or failure to perform any of the Contracts or otherwise.
- 16.4.2 The BBC's liability for all matters under the Contracts, other than for payment of the Charges under this Agreement or for payment of any of the termination sums provided for in Clause 12.2 or for any sums payable in respect of the Dedicated Equipment or in respect of the repudiatory breach of any of the Contracts or in respect of the content indemnity contained in Clause 4.2.3, shall be limited to [*] in any Year or, if greater, the amount recovered by the BBC in respect of and to the extent attributable to such loss pursuant to any insurance policy maintained by the BBC.

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

16.5 CTI LIABILITY

- 16.5.1 CTI's total aggregate liability in respect of all matters under or arising out of the Contracts in any one Year, including in relation to the payment of liquidated damages and/or Service Credits, will be limited to [*].
- 16.5.2 CTI shall not be liable, whether in contract, tort, negligence, breach of statutory duty or otherwise, to the BBC for loss of profits or for any indirect, special, incidental or consequential loss whatsoever whether incurred by the BBC or a third party arising out of its performance of or failure to perform any of its obligations under the Contracts or otherwise .
- 16.5.3 For the avoidance of doubt, CTI is liable to pay to the BBC any liquidated damages and/or Service Credits payable in accordance with this Agreement.
- 16.5.4 This Agreement and the Site Sharing Agreement sets out the full extent of each party's obligations and liabilities relating to the Services whether in contract, tort, negligence, breach of statutory duty or otherwise. In particular, there are no conditions, warranties or other terms, express or implied, as to satisfactory quality, fitness for purpose or of any other kind whatsoever which are binding on CTI except as specifically set out in this Agreement. Any other condition, warranty or other term relating to the provision of the Services or the sale of the Dedicated Equipment which might otherwise have been implied into this Agreement by statute, common law or otherwise is hereby excluded.

16.6 DELAY

- 16.6.1 If a Phase 1 Station is not Accepted by the Phase 1 Launch Date for that Station, then CTI must pay to the BBC liquidated damages to be calculated in accordance with Paragraph 5 of Schedule 2, subject to Clauses 2.5.2 and 16.6.4.
- 16.6.2 CTI acknowledges that the liquidated damages payable under Clause 16.6.1 are a reasonable pre-estimate of the damages that the BBC may sustain if there is any failure to comply with the terms of this Agreement.

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

- 16.6.3 The BBC's right to claim liquidated damages under Clause 16.6 shall be without prejudice to any other right which the BBC may have.
- 16.6.4 CTI's total aggregate liability in respect of all claims by the BBC for payment of liquidated damages under this Agreement shall be limited to the sum of [*].
- 16.6.5 To the extent that any delay in the Acceptance of any Station is due to a new-technology problem which does not arise through any fault of CTI and is beyond CTI's reasonable control, the BBC will waive its right to the payment of liquidated damages for the period beginning on the date on which the BBC and CTI have agreed in good faith a process to resolve the problem and ending on the date that CTI has achieved a workable solution to such a problem, provided always that CTI has at all times used all reasonable efforts to achieve such solution as soon as is reasonably possible.

16.7 WARRANTIES

16.7.1 CTI warrants and represents that:

- (i) it has full power and authority to execute, deliver and perform its obligations under this Agreement;
- (ii) the Services will be of satisfactory quality and fit for the purpose for which they are supplied and without limiting the generality of the foregoing, will comply with Schedule 5;
- (iii) all work performed under this Agreement will be performed in a proper and workmanlike manner and with due skill and care;
- (iv) it has and will have throughout the term of this Agreement the necessary skills, expertise and resources to perform its obligations under this Agreement;
- (v) all personnel employed by CTI in the performance of its obligations under this Agreement will be appropriately trained and experienced;
- (vi) it is not currently a party to and will not enter into any agreements or arrangements with third parties the terms of which prevent it entering into this Agreement or would impede the substantial performance of its obligations under this Agreement; and

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

(vii) it has disclosed no Confidential Information as described in Clause 19.1 to any third party in breach of any obligations of confidentiality.

16.7.2 The BBC warrants and represents that:

(i) it has full power and authority to execute, deliver and perform its obligations under this Agreement; and

(ii) it has disclosed no Confidential Information as described in Clause 19.1 to any third party in breach of any obligations of confidentiality.

16.7.3 There are no conditions or warranties, express or implied, binding on CTI or the BBC except those set out in this Agreement. Any condition or warranty which might have been implied into this Agreement by statute, common law or otherwise is hereby excluded.

17 ASSIGNMENT

17.1 This Agreement is personal to the parties hereto and they shall not assign, transfer, charge or deal in any other manner with this Agreement other than as expressly set out below except that CTI shall be entitled to assign its rights to payments under this Agreement by way of security to any person providing finance to it or its holding company(ies).

17.2 Each of CTI and the BBC shall be entitled to transfer this Agreement to any of its wholly-owned subsidiaries provided that:

17.2.1 each party procures that the transferee is bound by a direct covenant with the other party to observe all the terms of this Agreement and the covenants and obligations by the transferor contained in this Agreement; and

17.2.2 if any transferee ceases to be a wholly-owned subsidiary of either the BBC or CTI, as the case may be, this Agreement will be transferred back to CTI or the BBC, or to one of their wholly-owned subsidiaries.

18 SUB-CONTRACTING

CTI may sub-contract any of its obligations under this Agreement. CTI will not be relieved of any of its liabilities or obligations under this Agreement by entering into sub-contracts and CTI will be liable to the BBC for the acts, defaults and neglects of any sub-contractor or any employee or agent of the sub-contractor as fully as if they were the acts, defaults or neglects of CTI or the employees or agents of CTI.

19 INFORMATION AND CONFIDENTIALITY

19.1 Subject to the terms of any other agreement between the parties, each party agrees and undertakes that during the term of this Agreement, and thereafter, it will keep confidential and will not use for its own purposes or, without the prior written consent of the other, disclose to any third party the terms of this Agreement or any information of a confidential nature which is supplied to it under this Agreement or of which it becomes aware in the performance of this Agreement unless:

- 19.1.1 such information is required to be disclosed to CTI's bankers, CTI's holding company and any shareholders of its holding company (subject in each case to such companies or individuals agreeing that the information shall be confidential in terms substantially similar to this Clause 19.1); or
 - 19.1.2 such information is public knowledge, or subsequently becomes public knowledge, other than by breach of this Agreement; or
 - 19.1.3 such information subsequently comes lawfully into the possession of the party in question from a third party; or
 - 19.1.4 the disclosure of such information is required by any court of competent jurisdiction or any regulatory authority, including any recognized stock exchange or any taxation authority.
- 19.2 To the extent that it is necessary to disclose confidential information pursuant to the provisions of this Clause 19 or otherwise as necessary to implement the provisions of this Agreement, either party may disclose any confidential information concerning this Agreement to such of its employees or, in the case of the BBC, to such of the BBC's nominated contractor(s) as may be reasonably necessary on a "need-to-know basis", provided that before any such disclosure such party shall make such persons aware of its obligations of confidentiality under this Agreement and shall at all times procure compliance by such persons therewith.
- 19.3 The obligations of confidentiality hereunder shall not apply to prevent the supply of confidential information to the Department of Culture, Media and Sport, the Home Office, the Cabinet Office, the Foreign and Commonwealth Office, the Comptroller and Auditor General, the Office of Fair Trading, the Radiocommunications Agency, the Department for Trade and Industry, the Independent Television Commission, the Office of Telecommunications or any other regulatory body.

20 INTELLECTUAL PROPERTY RIGHTS

- 20.1 If in the course of the provision of the Services any material is created by CTI which is protected by copyright or other intellectual property rights, all legal and beneficial interests in those intellectual property rights will, as between the BBC and CTI, be owned by CTI. The BBC will only have such rights as are set out in this Clause 20 in relation to such materials.

- 20.2 CTI warrants and undertakes to the BBC that the use by the BBC of the Services and the Transmission Network in accordance with the terms of this Agreement will not infringe the intellectual property rights of any party.
- 20.3 CTI will indemnify the BBC on an after-tax basis against any loss, damage, or expenses (including legal fees on an indemnity basis) which the BBC may suffer or incur as a result of any claim that the Services, the Transmission Network or any component of the Transmission Network infringes the intellectual property rights of any third party.
- 20.4 Each party must notify the other as soon as reasonably practicable:
- 20.4.1 after becoming aware of any infringement or suspected infringement by the Services, the Transmission Network or any component of the Transmission Network of the intellectual property rights of any third Party; and
- 20.4.2 of any claim being made of the type described in Clause 20.3.
- 20.5 The BBC must not make any admission relating to a claim under Clause 20.3, and must give CTI all reasonable assistance (including providing all relevant information) in respect of such a claim at CTI's cost. The BBC will take all such action as CTI may reasonably request to avoid, dispute, resist, appeal, compromise or contest any such claim at CTI's cost.

21 EMPLOYEES

21.1 TERMS OF EMPLOYMENT OF EXISTING EMPLOYEES

CTI shall not, and shall procure that any other Relevant Employer shall not, without the prior consent of the BBC (which shall not be unreasonably withheld or delayed), vary, or purport or promise to vary, the terms or conditions (as amended from time to time) of employment of any Employee (including a promise to make any additional payment or provide any additional benefit) where such variation or addition:

- 21.1.1 takes effect at any time after either party has served a notice terminating this Agreement unless it is in the ordinary course of business and, when aggregated with any other variation or addition which takes effect during such period, represents an increase in the remuneration of the Employee of no more than the percentage increase

in the level of the Average Earnings Index between the month for which such index was last published at the time the variation or addition is made or proposed and the month falling 12 months before such month; or

- 21.1.2 first takes effect in whole or in part after this Agreement has terminated; or
- 21.1.3 results in any such employment not being terminable by the Relevant Employer within six months after this Agreement has terminated; or
- 21.1.4 relates to a payment or the provision of a material benefit triggered by termination of employment after this Agreement has terminated; or
- 21.1.5 relates to the provision of a benefit (but excluding base salary) which takes effect at any time after either party has served a notice terminating this Agreement or which any such Employee will or may have a contractual right to first receive after this Agreement has terminated; or
- 21.1.6 prevents, restricts or hinders any such Employee after this Agreement has terminated from working for the BBC or the Successor Operator or from performing the duties such Employee performed for CTI.

21.2 CHANGES IN NUMBERS AND TOTAL COST OF EMPLOYEES

Subject to and excluding any increase in the remuneration of Employees permitted under Clause 21.1, CTI shall not, and shall procure that any other Relevant Employer shall not, without the prior consent of the BBC (which shall not be unreasonably withheld or delayed), increase or decrease at any time after either party has served a notice terminating this Agreement the number of Employees either such that the total number of Employees or the total cost per annum to CTI and each other Relevant Employer of employing all Employees is increased or such that the total number of Employees is decreased, in each case, by more than 5 per cent during any period of 12 months.

22 NOTICES

- 22.1 Any notice to be served by either party shall be in writing and shall be sent to the following addresses:

CTI Chief Executive Officer
Castle Transmission International Ltd
Warwick Technology Park
Gallows Hill
Heathcote Lane
Warwick CV34 6TN
Fax No: 01926 416006

BBC Director of Policy and Planning
British Broadcasting Corporation
Broadcasting House
London W1A 1AA
Fax No: 0171 436 0393 Copy to: the BBC Representative

22.2 Any notice, invoice or other document which may be given by either party under this Agreement will be deemed to have been duly given if left at or sent by post (whether by letter or, where the parties agree in writing, in any other form) or facsimile transmission to the address set out above or to any other address notified to each other in writing in accordance with this Clause as an address to which notices, invoices and other documents may be sent. Any such communication will be deemed to have been made to the other party:

22.2.1 if sent by hand, when delivered;

22.2.2 if sent by post, 72 hours after the envelope containing such notice was posted; or

22.2.3 if sent by facsimile, when the transmission of the facsimile is confirmed delivered complete, if delivered on a business day, or, if not, at 9.30 a.m. (British Standard Time) on the next business day.

For the purposes of this Clause, "BUSINESS DAY" means 9 a.m. to 5 p.m. Monday to Friday every week of the year except for English public holidays. It is further agreed that notices sent by facsimile will also be confirmed by sending a signed copy by post, the copy to be posted within 24 hours of sending the facsimile.

23 NON-SOLICITATION

Neither the BBC nor CTI shall offer employment or engage any employee of the other involved in the provision of the Services whilst engaged, or within 12 months of his ceasing to be engaged, in carrying out any obligations under this Agreement without the prior written consent of the other. This prohibition shall not prevent either party advertising for staff in the national, local or industry press.

24 RESTRICTIVE TRADE PRACTICES

Notwithstanding any other provision of this Agreement, no provision of this Agreement which is of such a nature as to make this Agreement, or any agreement or arrangement of which this Agreement forms part, liable to registration under the Restrictive Trade Practices Act 1976 shall take effect until the day after that on which particulars thereof have been duly furnished to the Director General of Fair Trading.

25 WHOLE AGREEMENT

This Agreement supersedes any previous written or oral agreement between the parties in relation to the matters dealt with in this Agreement and, together with its Schedules, contains the whole agreement between the parties relating to the subject matter of this Agreement at the date hereof to the exclusion of any terms implied by law which may be excluded by contract. Each of the parties acknowledges that it has not been induced to enter into this Agreement by a representation, warranty or undertaking not expressly incorporated into it. So far as permitted by law and except in the case of fraud, the parties agree and acknowledge that their only rights and remedies in relation to any representation, warranty or undertaking made or given in connection with this Agreement shall be for breach of the terms of this Agreement, to the exclusion of all other rights and remedies (including those in tort or arising under statute).

26 VALUE ADDED TAX

- 26.1 All sums due to either party under this Agreement are exclusive of VAT thereon, if any, which shall be charged in addition thereto in accordance with the relevant law in force at the time of making the relevant taxable supply and shall be payable by the paying party only against receipt from the other of a valid VAT invoice in respect thereof.

26.2 Where under this Agreement one party has agreed to reimburse or indemnify the other in respect of any payment made or cost incurred by the other, then the first party shall also reimburse any VAT paid by the other which forms part of its payment or costs incurred to the extent that such VAT is not available for credit for the other (or for the representative member of the other's VAT group) under Sections 25 and 26 of the Value Added Tax Act 1994 (or any replacement or equivalent provision).

27 PARENT COMPANY GUARANTEE

CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD will enter into a guarantee in the form set out in Schedule 9.

28 JURISDICTION

This Agreement will be governed by and construed and interpreted in accordance with English law, and the parties hereby submit to the non-exclusive jurisdiction of the English courts.

IN WITNESS whereof this document has been executed the day and year first before written.

SIGNED for the BRITISH }
BROADCASTING CORPORATION by:

In the presence of:

SIGNED for CASTLE TRANSMISSION }
INTERNATIONAL LTD by:

In the presence of:

SCHEDULE 1

STATIONS

1. THE STATIONS

1.1. The Stations listed in this schedule constitute the "Stations" for purposes of this Agreement.

2. TIMETABLE

2.1. Phase I Stations (including those at which test transmitters agree to be installed), Phase 2 and Phase 3 Stations are identified in Table I below, as is the Build Date and Phase I Launch Date or Phase 2 and Phase 3 Service Date (as the case may be) for each Station and the Test Date for test transmitters.

3. CHANNELS AND ERP

3.1. The BBC has been allocated multiplex 1 and the table shows the corresponding channel and ERP for multiplex 1 for each Station.

NOTES AND ABBREVIATIONS IN TABLE 1

NOTE 1: ABBREVIATION
*XYZ * = "Must have at Launch".

NOTE 2: ITC PHASE
T = Test Transmitter

NOTE 3: BUILD & CONTRACTUAL SERVICE
Build and Contractual Service dates are defined in the main Contract.

- . LDI Phase I Launch Date
- . LD1 + [2] etc Launch Date plus [2] months

NOTE 4 : OPERATIONAL AND RESPONSE TARGET
See Schedule 8, for definition of Operational Priority and Response Target stations.

NOTE 5: BBC, ITV, CH4 AND SDN REGIONS

Ang	Anglia	Meri	Meridian	SE	SouthEast
Bord	Border	Mid	Midlands	Sth	South
C/LWT	Carlton/LWT	N	North	SW	South West
Central	Central	NE	North East	TTT	Tyne Tees Television
ChTv	Channel Television	NI	Northern Ireland	U	Ulster
E	East	Nth	North	UTV	Ulster Television
EMid	East Midlands	NW	North West	W	West
Gram	Grampian	R1	Region 1	WA	West Anglia
Gran	Granada	R2	Region 2	WC	West Country
HTVB	HTV Bristol	R3	Region 3	Wls	Wales
HTVC	HTV Cardiff	S	Scotland	York	Yorkshire
L	London	Scd	Scotland	-	-
M	Midlands	Scot	Scottish	-	-

NOTE 6: ITC DESIGNATION

- . M = Main Station
- . R = Relay

NOTE 7: BBC TRANSPORT STREAM SOURCE

BOLD = BBC Studio Centre

BE	BELFAST	GW	GLASGOW	NT	NEWCASTLE
BM	BIRMINGHAM	LS	LEEDS	PY	PLYMOUTH
BS	BRISTOL	MR	MANCHESTER	SO	SOUTHAMPTON
CB	CAMBRIDGE	NC	NORWICH	TC	TELEVISION CENTRE
CF	CARDIFF	NO	NOTTINGHAM	-	-

NOTE 8: HIGH LEVEL DESIGN CATEGORIES

First Letter	SI Insertion	S = SI Insertion Station
Second Letter	Transmitter Power	H = High (greater than 660W) L = Low (less than 660W)
Third Letter	Combiner Type	S = Single Ended D = Duplicated
Fourth Letter	Antenna type	A = Existing Analogue antenna++ N = New Digital antenna

++ The analogue antenna may be an existing C5 antenna at certain sites, currently Craigkelly and Darvel.

TABLE 1

3

DTT TRANSMISSION				ROLL-OUT			PRIORITY
STATION	Abbreviation	UHF Channel	Coverage (000' proportional)	ITC Phase			Operational
KEYS: SEE NOTE	[1]			[2]	[*]	[*]	[4]
ABERDARE	ABR	28	56	3	[*]	[*]	
ANGUS	AGU	68	434	2	[*]	[*]	x
BEACON HILL	BNL	52	228	2	[*]	[*]	x
BELMONT	*BMN*	30	2,019	1	[*]	[*]	x
BILSDALE	BIL	34	1,483	1	[*]	[*]	x
BLACK HILL	*BKH*	41	1,526	1	[*]	[*]	x
BLAENPLWYF	BY	28	49	2	[*]	[*]	
BLUEBELL HILL	BBL	59	1,334	2	[*]	[*]	X
BRESSAY	BRQ	21	12	3	[*]	[*]	
BRIERLEY HILL	BOF	68	95	3	[*]	[*]	
BRISTOL IC	BSL	49	160	2	[*]	[*]	
BRISTOL KW	BSK	22	98	3	[*]	[*]	
BROMSGROVE	BGE	34	104	3	[*]	[*]	
BROUGHNER MTN.	BRM	30	56	3	[*]	[*]	
CALDBECK	*CDK*	25	323	1	[*]	[*]	x
CARADON HILL	*CNH*	34	309	1	[*]	[*]	x
CARMEL	CRL	55	181	2	[*]	[*]	
CHATTON	CHN	40	242	3	[*]	[*]	x
CHESTERFIELD	CD	34	255	3	[*]	[*]	x
CRAIGKELLY	CGK	33	578	1	[*]	[*]	x
CRYSTAL PALACE	*CP*	25	8,501	1	[*]	[*]	x
DARVEL	DVL	22	512	2	[*]	[*]	x
DIVIS	*DIV*	29	1,122	1	[*]	[*]	x
DOVER	DOV	68	547	2	[*]	[*]	x
DURRIS	*DUS*	30	368	1	[*]	[*]	x
EITSHAL	ETL	34	19	3	[*]	[*]	
EMLEY MOOR	*MLM*	52	2,099	1T	[*]	[*]	x
FENHAM	FNH	30	304	2	[*]	[*]	x

DTT TRANSMISSION		PRIORITY		REGION			SITE		DESIGN		
STATION	CONTRACTUAL RESPONSE TIME	BBC	CHANNEL 4	ITV	SDN	LANDLORD	ITC DESIGNATION	BBC STUDIO	GENERIC SOURCE	ERP (KW)	
KEYS: SEE NOTE	[4]	[5]	[5]	[5]	[5]		[6]	[7]	[8]		
ABERDARE		Wls	E	HTV C	R1	CT1	R	CF	_LSA	0.050	
ANGUS		Scd	S	Gramf	R3	NTL	R	GW	_LDA	2.000	
BEACON HILL		SW	E	WC	R2	NTL	R	PY	_LDN	1.000	
BELMONT	x	Nth	N	YTV3	R2	NTL	M	LS	SLDA	5.000	
BILSDALE	x	NE	N	TTT2	R2	CTI	M	NT	SLDN	2.400	
BLACK HILL	x	Scd	S	Scot1	R3	NTL	M	GW	SHDN	10.000	
BLAENPLWYF		Wls	N	HTV C	R1	CTI	R	CF	_LDN	2.000	
BLUEBELL HILL	X	SE	E	Mer13	R2	CTI	M	TC	SLDN	3.000	
BRESSAY		Scd	S	Gram1	R3	CTI	R	GW	_LDA	1.000	

BRIERLEY HILL		Mid	M	Cen1	R2	CTI	R	BM	_LSA	0.050
BRISTOL IC		W	E	HTV B	R2	CTI	R	BS	_LSA	0.020
BRISTOL KW		W	E	HTV B	R2	CTI	R	BS	_LDN	0.010
BROMSGROVE		Mid	M	Cen1	R2	CTI	R	BM	LSA	0.025
BROUGHHER MTN.		NI	U	UTV1	R2	CTI	R	BE	_LDA	0.500
CALDBECK		NE	S	Bord1	R2	NTL	M	NT	SHDN	5.000
CARADON HILL		SW	E	WC	R2	NTL	M	PY	SHDN	4.000
CARMEL		Wls	E	HTV C	R1	CTI	R	CF	_LDA	2.500
CHATTON		NE	N	TTT1	R2	NTL	R	NT	_LDA	3.000
CHESTERFIELD		Nth	N	YTV2	R2	NTL	R	LS	_LSA	0.020
CRAIGKELLY		Scd	S	Scot1	R3	NTL	M	GW	_LDN	1.000
CRYSTAL PALACE	x	SE	L	C/LWT	R2	CTI	M	TC	SHDN	10.000
DARVEL		Scd	S	Scot1	R3	NTL	R	GW	_LDA	2.000
DIVIS	x	NI	U	UTV1	R2	CTI	M	BE	SLDN	2.300
DOVER		SE	E	Meri3	R2	NTL	M	TC	_LDN	1.000
DURRIS		Scd	S	Gram1	R3	NTL	M	GW	SHDA	10.000
EITSHAL		Scd	S	Gram1	R3	CTI	R	GW	_LDA	0.800
EMLEY MOOR	x	Nth	N	YTV1	R2	NTL	M	LS	SLDA	5.000
FENHAM		NE	N	TTT1	R2	CTI	R	NT	_LSA	0.020

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

OTT Transmission				Roll-Out			Priority		BBC
STATION	Abbreviation	UHF Channel	Coverage (000' proportional)	ITC Phase			Operational	Contractual Responce Time	
FENTON	FNT	34	203	3	[*]	[*]			Mid
FREMONT POINT	FRP	38	tbd	1	[*]	[*]			SW
GUILDFORD	GI	49	242	2	[*]	[*]	x		SE
HANNINGTON	HAN	50	628	1	[*]	[*]	x		Sth
HASTINGS	HS	31	196	3	[*]	[*]			Sth
HEATHFIELD	HJV	34	354	2	[*]	[*]	x		Sth
HEMEL HEMPSTEAD	HH	48	161	2	[*]	[*]			SE
HUNTSYAW CROSS	HC	54	117	3	[*]	[*]			SW
IDLE	IDL	45	163	2	[*]	[*]			Nth
KEELYLANG HILL	KEE	48	15	3	[*]	[*]			Scd
KEIGHLEY	KJ	53	131	3	[*]	[*]			Nth
KILVEY HILL	KVH	25	245	2	[*]	[*]	x		Wls
KNOCK MORE	KMR	34	54	3	[*]	[*]			Scd
LANCASTER	LCR	28	225	2	[*]	[*]	x		NW
LARK STOKE	LKK	21	122	3	[*]	[*]			Mid
LLMAVADY	LTS	67	146	2	[*]	[*]			NI
LIANDDONA	LLA	67	187	2	[*]	[*]			Wls
MALVERN	MVR	67	241	3	[*]	[*]	x		Mid
MENDIP	*MEN*	59	1,360	1	[*]	[*]	x	x	W
MIDHURST	MH	56	1014	2	[*]	[*]	x	x	Sth
MOEL-Y-PARC	MYP	54	531	1	[*]	[*]	x	x	Wls
NOTTINGHAM	NOU	39	311	2	[*]	[*]	x		EMid
OLIVERS MOUNT	OMT	49	70	3	[*]	[*]			Nth
OXFORD	OF	34	907	1	[*]	[*]	x	x	SE
PENDLE FOREST	PLF	21	196	3	[*]	[*]			NW
PLYMPTON	PTN	52	149	3	[*]	[*]			SW
PONTOP PIKE	*PP*	48	1,309	1	[*]	[*]	x	x	NE
PONTYPOOL	PPL	52	78	3	[*]	[*]			Wls

Religion				Site			Design	
STATION	Channel 4	ITV	SDN	Landlord	ITC Designation	BBC Studio	Generic Source	ERP (kw)
FENTON	M	Cen2	R2	CTI	R	BM	_LSA	0.050
FREMONT POINT	E	ChTv1	R2	NTL	M	PY	SLDA	0.200
GUILDFORD	L	C/LWT	R2	CTI	R	TC	_LDN	0.100
HANNINGTON	E	Meri2	R2	CTI	M	S0	SLDN	10.000
HASTINGS	E	Meri4	R2	CTI	R	S0	_LSA	0.100
HEATHFIELD	E	Meri4	R2	CTI	M	S0	SLDN	1.600
HEMEL HEMPSTEAD	L	C/LWT	R2	CTI	R	TC	_LDN	0.100
HUNTSYAW CROSS	E	WC4	R2	NTL	R	PY	_LDA	2.000
IDLE	N	York1	R2	NTL	R	LS	_LSA	0.003

KEELYLANG HILL	S	Gram2	R3	CTI	R	GW	_LDN	1.000
KEIGHLEY	N	York1	R2	NTL	R	LS	_LSA	0.050
KILVEY HILL	E	HTV	R1	CTI	R	CF	_LDN	0.300
KNOCK MORE	S	Gram2	R3	NTL	R	GW	_LDA	1.000
LANCASTER	N	Gran1	R2	NTL	R	MR	_LSA	0.100
LARK STOKE	M	Cen2	R2	CTI	R	BM	_LSA	0.025
LLMAVADY	U	UTV1	R2	CTI	R	BE	_LDA	0.800
LIANDDONA	N	HTV	R1	CTI	R	CF	_LDA	1.000
MALVERN	M	Cen2	R2	CTI	R	BM	_LSA	0.100
MENDIP	E	HTV	R2	CTI	M	BS	SLDN	3.000
MIDHURST	E	Meri3	R2	CTI	M	SO	_LDN	10.000
MOEL-Y-PARC	N	HTV	R1	NTL	M	CF	_LDN	0.500
NOTTINGHAM	M	Cen4	R2	NTL	R	NO	LSA	0.020
OLIVERS MOUNT	N	York1	R2	CTI	R	LS	_LSA	0.050
OXFORD	M	Cen3	R2	CTI	M	TC	SHDA	10.000
PENDLE FOREST	N	Gran1	R2	NTL	R	MR	_LSA	0.050
PLYMPTON	E	W C3	R2	NTL	R	PY	_LSA	0.100
PONTOP PIKE	N	TTT1	R2	CTI	M	NT	SHDA	10.000
PONTYPOOL	E	HTV	R1	CTI	R	CF	_LDN	0.010

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

DTT TRANSMISSION

ROLL-OUT

STATION	Abbreviation	UHF Channel	Coverage (000' proportional)	ITC Phase		
PRESELY	PRS	47	97	2	[*]	[*]
REDRUTH	RR	39	240	3	[*]	[*]
REIGATE	REI	31	219	3	[*]	[*]
RIDGE HILL	RHA	34	527	2	[*]	[*]
ROSEMARKIE	RK	47	112	2	[*]	[*]
ROSNEATH	ROS	67	126	3	[*]	[*]
ROWRIDGE	*ROW*	67	1,731	1	[*]	[*]
RUMSTER FOREST	RMF	28	60	2	[*]	[*]
SADDLEWORTH	SWH	47	366	2	[*]	[*]
SALISBURY	SA	55	47	3	[*]	[*]
SANDY HEATH	*SDT*	29	1,745	1	[*]	[*]
SELKIRK	SXJ	53	69	2	[*]	[*]
SHEFFIELD	SF	39	340	2	[*]	[*]
STOCKLAND HILL	SDL	22	572	1	[*]	[*]
STORETON	SEN	30	206	3	[*]	[*]
SUDBURY	SVY	49	645	2	[*]	[*]
SUTTON COLDFIELD	*SC*	41	2,923	1	[*]	[*]
TACOLNESTON	TAC	63	868	1	[*]	[*]
THE WREKIN(E)	WRK	39		3	[*]	[*]
THE WREKIN(W)	WRK	21	882	3	[*]	[*]
TOROSAY	TOY	23	13	3	[*]	[*]
TUNBRIDGE WELLS	TW	55	75	3	[*]	[*]
WALTHAM	*WBF*	49	2,098	1	[*]	[*]
WENVOE	*WV*	39	907	1 T	[*]	[*]
WHITEHAWK HILL	WL	66	386	2	[*]	[*]
WINTER HILL	*WRH*	56	5,058	1 T	[*]	[*]
WINTER HILL	*WRH*	67		1 T	[*]	[*]

DTT TRANSMISSION

PRIORITY

REGION

STATION	Abbreviation	Operational	Contractual Response Time	BBC	Channel 4	ITV	SDN
PRESELY	PRS			Wls	E	HTV C1	R1
REDRUTH	RR	x		Sw	E	W C5	R2
REIGATE	REI			SE	L	C/LWT	R2
RIDGE HILL	RHA	x		Mid	M	Cen1	R2
ROSEMARKIE	RK			Scd	S	Gram2	R3
ROSNEATH	ROS			Scd	S	Scot1	R3
ROWRIDGE	*ROW*	x	x	Sth	E	Meri1	R2
RUMSTER FOREST	RMF			Scd	S	Gram2	R3
SADDLEWORTH	SWH	x		NW	N	Gran1	R2
SALISBURY	SA			Sth	E	Meri1	R2
SANDY HEATH	*SDT*	x	x	WA	E	Ang2	R2
SELKIRK	SXJ			Scd	S	Bord2	R2
SHEFFIELD	SF	x		Nth	N	York2	R2
STOCKLAND HILL	SDL	x	x	Sw	E	WC1	R2

STORETON	SEN			NW	N	Gran1	R2
SUDBURY	SVY	x	x	E	E	Ang1	R2
SUTTON COLDFIELD	*SC*	x	x	Mid	M	Cen2	R2
TACOLNESTON	TAC	x	x	E	E	Ang3	R2
THE WREKIN(E)	WRK	x	x	Mid	M	Cen2	R2
THE WREKIN(W)	WRK	x	x	Mid	M	Cen2	R2
TOROSAY	TOY			Scd	S	Scot1	R3
TUNBRIDGE WELLS	TW			SE	E	Meri4	R2
WALTHAM	*WBF*	x	x	Emid	M	Cen4	R2
WENVOE	*WV*	x	x	Wls	E	HTVC1	R1
WHITEHAWK HILL	WL	x		Sth	E	Meri3	R2
WINTER HILL	*WRH*	x	x	NW	N	Gran1	R2
WINTER HILL	*WRH*	x	x	NW	N	Gran1	R2

DTT TRANSMISSION

SITE

DESIGN

STATION	Abbreviation	Landlord	ITC Designation	BBC Studio Source	Generic	ERP (kw)
PRESELY	PRS	NTL	R	CF	LDA	0.500
REDRUTH	RR	CTI	R	PY	LDA	1.600
REIGATE	REI	CTI	R	TC	LDN	0.100
RIDGE HILL	RHA	NTL	M	BM	SHDN	5.000
ROSEMARKIE	RK	CTI	R	GW	HDA	10.000
ROSNEATH	ROS	NTL	R	GW	LSA	0.100
ROWRIDGE	*ROW*	CTI	M	SO	SLDN	10.000
RUMSTER FOREST	RMF	NTL	R	GW	LDA	1.000
SADDLEWORTH	SWH	NTL	R	MR	LSA	0.020
SALISBURY	SA	CTI	R	SO	LSA	0.500
SANDY HEATH	*SDT*	NTL	M	CB	SHDN	10.000
SELKIRK	SXJ	NTL	M	GW	SLDA	3.000
SHEFFIELD	SF	CTI	R	LS	SLDN	0.050
STOCKLAND HILL	SDL	NTL	M	PY	HDN	2.500
STORETON	SEN	CTI	R	MR	LDN	0.028
SUDBURY	SVY	CTI	M	NC	LDN	7.000
SUTTON COLDFIELD	*SC*	CTI	M	BM	SLDN	4.000
TACOLNESTON	TAC	CTI	M	NC	SLDN	10.000
THE WREKIN(E)	WRK	CTI	R	BM	LDN	1.000
THE WREKIN(W)	WRK	CTI	R	BM	LDN	1.000
TOROSAY	TOY	CTI	R	GW	LDA	0.125
TUNBRIDGE WELLS	TW	CTI	R	TC	LDA	0.100
WALTHAM	*WBF*	CTI	M	NO	SHDN	5.000
WENVOE	*WV*	CTI	M	CF	SHDN	10.000
WHITEHAWK HILL	WL	CTI	R	SO	LSA	0.100
WINTER HILL	*WRH*	NTL	M	MR	SHDN	5.000
WINTER HILL	*WRH*	NTL	M	MR	SLDN	0.100

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SCHEDULE 2

CHARGES

1. INTRODUCTION

- 1.1 This Schedule details the charges payable under this Agreement and the mechanism for establishing all future charges that may become payable as agreed between both parties. It also sets out the charges for liquidated damages and service termination.
- 1.2 No change shall be made to any charges under this Agreement without prior written agreement between the parties, as appropriate.

2. PRINCIPLES

- 2.1 Charges shall become due from the BBC from the First Payment Date specified in Clause 2.3.4, after which a monthly payment will be made in arrears to CTI, which will be one twelfth of the annual charge agreed.
- 2.2 The annual charge may be varied on each anniversary of the First Payment Date for the purpose of inflationary adjustment. Adjustments will be calculated by applying the Retail Price Index (RPI) [*].
- 2.3 Changes to the Agreement that involve a change to the annual charge other than by application of RPI, shall be calculated and executed in accordance with the Change Control Procedure (Schedule 3).
- 2.4 Service Credits that may accrue to the BBC will be deducted from subsequent payments due to CTI, as appropriate, and established in accordance with the procedures prescribed in Schedule 8.
- 2.5 Liquidated damages that may become payable to the BBC will be deducted from the monthly payments due to CTI.

3. CHARGES

- 3.1 The BBC shall pay CTI monthly in arrears one twelfth of the agreed annual charge, following receipt each month of a valid invoice.
- 3.2 The agreed annual charge for Phase 1 (excluding VAT) shall be:[*]
- 3.3 If the BBC commits to Phase 2 before the date set out in Clause 2.4.1, the agreed annual charge for Phase 2 (excluding VAT) shall be:[*]
- 3.4 If the BBC commits to Phase 3 before the date set out in Clause 2.4.1, the agreed annual charge for Phase 3 (excluding VAT) shall be:[*]

For the avoidance of doubt, the first payment date for Phase 3 shall be the first day of the month following the date that the BBC commits to Phase 3.
- 3.5 In addition to the annual charge, the BBC shall pay the actual cost of the WT Act Licence fee for the transmission of the BBC multiplex from the Stations. This fee will be paid to CTI by the BBC on receipt of a valid invoice from CTI, supported by a copy of the invoice from the Radiocommunications Agency.

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4. CHANGES TO CHARGES

4.1 GENERAL

4.1.1 Changes to the annual charge shall be made in accordance with the following procedures.

4.2 CHANGE DUE TO INFLATION

4.2.1 On the First Payment Date, and each anniversary of the Payment Date thereafter, the annual Charge shall be uplifted by the Retail Price Index [*]. The uplift will be agreed two months prior to the date on which the increase is due to take effect, and RPI will be taken from the most recently published index issued by the Central Statistical Office. Where such index is no longer published, any other index replacing RPI shall be used, subject to the agreement of both parties.

4.3 CHANGE UNDER CHANGE CONTROL

4.3.1 Where a change executed in accordance with the provisions of Schedule 3 results in a change (up or down) to the annual charges, the following shall apply in calculating subsequent adjustments due to RPI:

- a) where change brings an increase to the annual charge and the increase takes effect after 3 months from the last RPI adjustment, the increase will not be taken into account when calculating the next RPI adjustment;
- b) where change brings a decrease to the annual charge and the decrease takes effect after 6 months from the last RPI adjustment, the decrease will not be taken into account when calculating the next RPI adjustment.

4.3.2 Both parties will agree in good faith the point when it is appropriate to adjust the annual service charge

4.4 RIGHT TO AUDIT

4.4.1 The BBC shall retain the right to audit all information provided by CTI under the "open book" approach, as defined in Schedule 3.

5. LIQUIDATED DAMAGES

5.1 PRINCIPLES

5.1.1 Liquidated damages shall be

5.1.2 Liquidated Damages will be payable as set out in Schedule 1. In the case of Phase 1 this will relate to delays from the Phase 1 in the event of delays from the Launch Date and for Phases 2 and 3 from the Phase 2 Service Date and Phase 3 Service agreed industry roll-out Date (as appropriate) shown in Schedule 1. Liquidated Damages will be deducted from the Charges in the payment following their occurrence.

5.1.3 The following Liquidated Damage charges will apply:

Station	CHARGE PER DAY
Black Hill	[*]
Crystal Palace	[*]
Divis	[*]
Wenvoe	[*]
Phase 1 Stations identified as "must have for launch"	[*]
Other Phase 1 Stations	[*]
All Phase 2 and Phase 3 Stations	[*]

subject to a maximum aggregate charge of [*] per day.

5.2 METHOD OF CALCULATING DAMAGES FOR PHASE 1

5.2.1 For those Phase 1 Stations which the parties have agreed and indicated in Schedule 1, Table 1 that the BBC "must have at launch", any delay in the issuance of an Acceptance Certificate in accordance with Clause 2.7.5 by the BBC before the Phase 1 Launch Date will be deemed to prevent the launch of all Phase 1 Stations and CM shall pay to the BBC liquidated damages for those Stations as set out above.

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5.2.2 For those Phase 1 Stations which the parties have not agreed nor indicated in Schedule 1 Table 1 that the BBC "Must have at launch", any delay in the issuance of an Acceptance Certificate by the BBC before the Phase 1 Launch Date will be deemed to prevent the launch of that Station only, and CTI shall pay to the BBC Liquidated Damages at the rates set out against each Station as set out above for each day that the Launch Date for that Station is delayed.

5.3 METHOD OF CALCULATING DAMAGES FOR PHASES 2 AND 3

5.3.1 For those Stations included in Schedule 1 Table 1 for Phases 2 and 3, any delay in the issuance of an Acceptance Certificate in accordance with Clause 2.7.5 by the BBC, shall initiate the payment of Liquidated Damages by CTI for that Station, as set out above.

6. TERMINATION

6.1 If the BBC chooses to terminate this Agreement at the agreed review point given in clause 12.2.1, the BBC will be liable to pay CTI on termination a charge which will be:

Where the BBC has committed to Phase 1 only: [*]

Where the BBC has committed to Phases 1 and 2: [*]

Where the BBC has committed to Phases 1, 2 and 3: [*]

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SCHEDULE 3

PART I: CHANGE CONTROL

1. INTRODUCTION

1.1 This Schedule defines the Change Control Procedure by which the parties will deal with all proposed changes to this Agreement. CTI and the BBC will discuss any proposed change, and the consequences, in good faith and within agreed timescales. Either party may raise with the other a requirement for a change to the Agreement, but only changes agreed with CTI and authorised in writing by the BBC may be executed.

2. PRINCIPLES

2.1 Changes which are reasonably needed for CTI to comply with its fundamental obligations under this Agreement shall be undertaken by CTI within an agreed timescale and at its cost, unless CTI can adequately demonstrate, and the BBC agrees (such agreement not to be unreasonably withheld) that it would be unreasonable for CTI to bear the full cost of the necessary change.

2.2 The primary approach to change is two-fold:

- i) major change involving additional services will be managed within the Change Control Procedure and the Charges varied accordingly
- ii) technological changes with the purpose of maintaining, enhancing or improving either the quality and efficiency or overall value for money of the Services will be managed under the Change Control Procedure. The onus will be on CTI to demonstrate innovative ways of financing such changes within the agreed Charges and to manage the consequences and risk of implementing such changes.

2.3 In principle, the primary areas of this Agreement and the Services that will be subject to change control are as follows:

- i) requirements for additional Stations
- ii) technology refresh designed to improve the quality, efficiency and value for money of the Services
- iii) technology refresh which provides additional functionality not yet available, such as particular technical monitoring capabilities
- iv) enhancements or additions to the Services that represent additional features or service functionality

2.4 Changes that involve a variation (up or down) to the Charges will be established either:

- i) by reference to fixed charges already agreed, if any, between both parties, such as a fixed charge for additional Stations or transmitters
- ii) by use of an "open book" policy, where CTI will provide a reasonably detailed breakdown (in any format requested by the BBC) of the cost of any proposed change, which demonstrates that such costs have been minimised and that the change represents best value for money.

2.5 Any report requested from CTI by the BBC under paragraph 4.2 below which details the impact and costs of any change shall include, as a minimum, the following:

- i) effects on performance
- ii) any consequential effects of the change
- iii) potential for disruptions
- iv) any appropriate contingency plans

3. CHANGES PROPOSED BY CTI

3.1 If CTI proposes any changes to this Agreement, then CTI must submit to the BBC a document describing the suggested changes, and detailing:

- i) any impact the change would have on the timing for provision of any Services under this Agreement.
- ii) any impact the change would have on the Charges payable under this Agreement.
- iii) a description of the benefits that the change would make to the provision of the Services.
- iv) any other changes that would be required to any aspect of this Agreement if the change were implemented.
- v) any other matter or thing of which CTI is aware that would be relevant to deciding whether or not to implement the change.

3.2 Within 10 Business Days of receipt by the BBC of the document referred to in paragraph 3.1, the parties must commence discussions in good faith on the proposed change with a view to agreeing whether to amend this Agreement.

4 CHANGES PROPOSED BY THE BBC

4.1 The BBC may at any time propose changes to this Agreement. The BBC may require CTI to make any changes arising from a change to the BBC's Charter or DNH Agreement.

4.2 Within 20 Business Days of receipt of a notice from the BBC or other period as agreed between the parties proposing or requiring a change, CTI must submit to the BBC a document detailing the matters set out in paragraphs 3.1(i) to 3.1(v).

4.3 Within 10 Business Days of receipt by the BBC of the document referred to in paragraph 4.2, the parties must discuss in good faith the proposed or required change with a view to agreeing whether to amend this Agreement.

PART II: MANAGEMENT OF FORESEEABLE CHANGES

Change Area	Change Ref.	Specific Change	Details of Exposure	[*]
DISTRIBUTION SYSTEM	1A	SI insertion required other than as defined in Schedule 1I	[*]	[*]
	1B	Modifications to distribution network provided by BT	Delays and/or technology problems. Management and performance of BT will be exclusively CTI's responsibility.	[*]
	1C	Change of BBC Editorial Regional Boundaries	Ramifications of regional boundary changes on proposed distribution network and SI collation. CTI to make reasonable endeavours in network planning to minimise additional costs. This is subject to BBC submitting details of possible regional changes PRIOR to network design being finalised by CTI.	[*]
TRANSMISSION SYSTEM	2A	Frequency Co-ordination and Planning	Changes to network and/or transmission systems made	[*]

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Change Area	Change Ref.	Specific Change	Details of Exposure	[*]
			necessary by the process of agreeing the frequency plan other than where a change of site is required.	
			Changes to network and/or transmission systems made necessary by the process of agreeing the frequency plan where a change of site is required.	[*]
	2B	Cross-Carriage of SI	Risk of co-ordination with other multiplex transmission service providers.	[*]
	2C	Fundamental Changes to SI Collation Strategy including Non-distributed collation and/or Non-DVB compliant SI	Changes to SI implementation from the system specified in CTI's Proposal but in accordance with the D-Mux Group agreement. Changes required by the BBC other than in accordance with the D-Mux Group agreement.	[*]
	2D	Changes to Analogue Network	Risk of additional changes to the analogue network over and above those required in Schedule 4: Analogue Changes. CTI will absorb any minor costs where significant capital outlay is not required.	[*]
	2E	Frequency Offset	Risk of changes associated with adoption or removal of frequency offsets.	[*]
	2F	Re-radiation of Digital transmissions by Analogue Relays	Radiation of unwanted signals caused by re-radiation of adjacent channel digital transmissions by analogue transposers. CTI will modify up to 20 transposers where an interference problem is identified for [*] per transposer per annum. Beyond this number of transposers, the Change Control Procedure will determine the price.	[*]
	2G	DTG D-Book Changes	Post-contract changes to the D-Book which the BBC requires CTI to implement.	[*]

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SCHEDULE 4

CHANGES TO THE ANALOGUE NETWORK

1. TYPES OF CHANGE

1.1 The existing analogue television transmission network will need to be modified to permit the introduction of DTT. For any analogue station, these changes may include, but are not limited to:

- i) modification of the VSB response to permit adjacent channel DTT operation
- ii) modification of the maximum ERP
- iii) modification of the antenna parameters
- iv) addition of a precision offset
- v) frequency changes
- vi) introduction of additional analogue transmissions

1.2 Other changes to the network may include:

- i) construction and operation of new analogue transmitter sites
- ii) modifications to ancillary services equipment

1.3 The required changes to the analogue network shall be derived from the information contained in Schedule 12 Appendix 4, and References 15, 16, 29 and 32 in Schedule 13. The changes proposed by CTI are summarised in Tables 1 and 2 below for information purposes only.

Table 1: Analogue modifications at non-DTT stations as a result of Multiplex 1 (for information purposes only)

Analogue Station	Landlord	DTT Interferer	P.O.	Trpsr Chan Chnge	ERP Inc	New Relay Stn	RBL Ant Mods	New Tx Ant
Arfon	NTL	PRS				x		
Ardnadam	CTI	BKH			x			x
Bargoed	CTI	WV	x					
Barrow Town	CTI	LCR					x	
Bath	CTI	BSK		x				
Bronnant SH	CTI*	BY				x		
Carhampton	CTI	WV	x	x				x
Cefn-Mawr	NTL	SC	x			x		
Chagford	CTI	CRL					x	
Croeserw	NTL	HC	x					
Cwmbran	NTL*	SDL				x		
Easter Compton	NTL	WV	x	x				
Gilfach	CTI	WV	x					
Glyncorrwg	NTL	HC					x	
Greenhill	CTI	WV	x					
High Keil	CTI	DIV					x	
Ilfracombe	NTL	HC	x					
Kewstoke	NTL	WV	x	x	x			
Long Mountain	CTI	SC	x					
Lydden	NTL	DOV		x				
Pitlochry	CTI	SXJ					x	
Ramsbottom	NTL	WRH			x			
Redcliff Bay	NTL	WV	x	x	x			
Roadwater	CTI	WV	x					
Woodcombe	CTI	WV	x	x	x			x

* Subject to confirmation

Table 2: Analogue modifications at DTT stations as a result of Multiplex 1

(for information purposes only)

Analogue Station	Modify VSB	Modify Group Delay	Precision Offset	Replace Drive
Aberdare		x		
Beacon Hill	x	x		
Bilsdale	x	x		
Black Hill		x		
Blaenplwyf		x		
Bressay	x	x		
Bristol I.C.	x	x		
Carmel			x	
Chatton		x		
Chesterfield		x		
Crystal Palace	x	x		
Darvel	x	x		
Eitshal		x		
Emley Moor		x		
Fenham	x	x		
Fenton	x	x		
Guildford	x	x		
Hastings	x	x		
Hemel Hempstead		x		
Huntshaw Cross	x	x		
Keighley	x	x		
Kilvey Hill	x	x		
Knock More		x		
Lancaster		x		
Malvern	x	x		
Mendip		x	x	
Midhurst		x		
Oxford			x	
Pendle Forest	x	x		
Pontop Pike			x	
Pontypool			x	
Presely		x	x	
Ridge Hill	x	x		
Rumster Forest		x		
Sandy Heath			x	
Selkirk		x		
Stockland Hill	x	x		
Sutton Coldfield		x	x	
Tacolneston		x		
Torosay		x		
Waltham			x	
Winter Hill		x		

2 REQUIREMENT

2.1 CTI shall design and carry out, or procure, the changes to:

- a) that part of the existing analogue network used for BBC services necessitated by the introduction of the BBC's digital multiplex
- b) that part of the existing analogue network used for third party services necessitated by the introduction of the BBC's digital multiplex
- c) that part of the existing analogue network used for BBC services necessitated by the introduction of third party digital multiplexes

- 2.2 The changes shall be made in accordance with the methodology outlined in 3 below, unless otherwise agreed between the parties.
- 2.3 For the avoidance of doubt the changes outlined in (a) and (b) above shall be carried out with the BBC's consent and charged in accordance with this Agreement. The changes outlined in (c) above shall be carried out under the Analogue Contract at the relevant third party multiplex operator's cost. Any charge made shall include a one-off payment for the ongoing operation and maintenance of any new equipment supplied under the requirements of 2.1 above.
- 2.4 Without prejudice to Clause 2.6.3, CTI shall comply with whatever changes are required by the Radiocommunications Agency and the Department of Culture, Media & Sport when national approval is granted.
- 2.5 In addition, CTI shall work with and comply with the timetable of the organisation charged by the multiplex operators for ensuring that interference to domestic reception of analogue TV is rectified. The approach adopted will fall within the ITC regulation described in Reference 14.

3 [*]

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SCHEDULE 7

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[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

SCHEDULE 8

[*]

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

[*]

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SCHEDULE 5
TRANSMISSION REQUIREMENTS

1 GENERAL

1.1 The DTT Transmission Service shall comply with all applicable laws, regulations, industry standards and codes of practice. CTI shall be liable for the cost implications of complying with any changes arising from amendments to existing, or new, laws, regulations etc.

2 BBC INTERNAL DTT ARCHITECTURE

2.1 Introduction

2.1.1 The BBC will distribute programmes to a number of its studio centres around the UK, and will install and operate equipment at those centres to assemble the national-regional and English-regional DTT multiplexes. The centres involved are set out in Schedule 7. The BBC reserves the right to vary the number and location of such studio centres from time to time, and CTI shall provide sufficient flexibility in its network design to accommodate such changes with minimal dislocation and associated additional costs.

2.2 National Regions

2.2.1 Coding and multiplexing equipment will be installed by the BBC in the national-regional studio centres at Glasgow, Belfast, and Cardiff. Such equipment will also be installed by the BBC at the English regional studio centre in TV Centre, London. The programme services with the addition of SI describing the BBC multiplex services will be re-multiplexed into DTT format. CTI shall send the resulting signal from the national-regional studio centres to the relevant Stations where it shall be re-multiplexed by CTI to insert the SI of the other multiplex operators which is to be cross-carried within the BBC multiplex, and modulated using the DVB-Terrestrial Specification (Reference 6).

2.3 English Regions

2.3.1 The BBC will also install coding and multiplexing equipment at 11 English-regional studio centres (including London) to allow local opt-outs to be generated. This will allow the BBC to meet the requirements of the Broadcasting Act to simulcast analogue services on DTT. The programme services including the SI of the BBC English-regional multiplexes will then be multiplexed into DTT format. The English-regional studio centres will act in a similar way to the national-regional studio centres.

2.3.2 CTI shall send the resulting signal from the English-regional studio centres to the relevant Stations where it shall be re-multiplexed by CTI to insert the SI of the other multiplex operators which is to be cross-carried within the BBC multiplex, and modulated as set out in Reference 6.

2.3.3 The stations for both the national and English-regional variants of the BBC multiplex are shown in Schedule 1

3 OVERVIEW OF DTT TRANSMISSION SERVICE

3.1 The DTT Transmission Service shall be provided using a network of terrestrial stations installed, maintained and operated by CTI. The BBC will not contribute directly to the capital cost of this network or the cost of maintaining the network.

3.2 The DTT Transmission Service is made up of the following elements:

- . The design, configuration, supply, installation, maintenance and operation of all digital transmission equipment and associated equipment at Stations (see Section 4, below).
- . The design, supply, installation, maintenance and operation of the links to enable distribution of the BBC multiplexed signal from the BBC's national-regional and English-regional studio centres to Stations (see Section 5, below).

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- . The supply, installation, maintenance and operation of MPEG-2 multiplexing equipment, to enable configuration of the BBC multiplex at key Stations (see Section 6, below).
- . Modification, as appropriate, to the transmission characteristics of the existing analogue transmitters to permit the introduction of the digital television multiplex and the simultaneous transmission of analogue services. Changes to the analogue transmission network shall be undertaken in conjunction with the operator of the analogue services, as set out in Schedule 4.
- . Liaison and co-ordination with other multiplex and transmitter network operators, and receiver manufacturers, to ensure that the BBC's signals can be satisfactorily received and displayed. In particular, this will require working with other multiplex operators to ensure that SI, EPG and CA data that the BBC may wish to broadcast are correctly inserted into the multiplex. CTI shall ensure that the equipment employed has the flexibility to support such SI, EPG and CA requirements (which may be added at a later date). To facilitate this, the BBC will endeavor to reach agreement with other multiplex operators and licensing authorities about the format and technical requirements of SI, EPG and CA.

3.3 CTI shall assume end-to-end responsibility for the provision of the service from BBC national-regional and English-regional studio centre interface to transmission from Stations, and shall ensure that the design, implementation and operation of each service component is consistent with the overall design. Although CTI's responsibilities do not extend to the receipt of signals at receivers, CTI shall assist the BBC in resolving viewers problems on a reasonable endeavours basis.

3.4 The arrangements for rectification of any interference caused by the BBC DTT multiplex to analogue domestic reception comprises two parts; changes at Stations (covered in Schedule 4), and changes at domestic receiving locations. The latter will form part of a separate contract and is not covered in this Agreement. However, CTI shall provide Station changes in co-ordination with the agreed industry timetable for changes to domestic receivers set out in that separate contract.

4. TRANSMISSION

4.1 CTI shall design, supply, install and operate facilities to radiate the BBC's multiplex in accordance with:

- . the CTI Technical Specification for each Station as listed in Schedule 12.
- . the subset of transmission characteristics defined in Reference 6 as 2k system, 1/32 guard interval, 64 QAM model, with FEC-2/3 and Reed Solomon defined by RS (204, 188, t=8).
- . ITC UK DTT Frequency Plan (Reference 1)
- . DTG Interoperability requirements (Reference 7)

4.2 CTI shall use all reasonable endeavours to minimise the impact of changes in the transmission characteristics as a result of international co-ordination.

4.3 CTI shall take responsibility for obtaining such access to sites and/or masts owned by other parties as it requires in order to provide the Services.

4.4 The main feed at each Station shall contain the correct BBC Regional Programming. In relation to national regional programming, reserve feeds for the Stations must also contain the correct national-regional variant of the BBC multiplex. In relation to English-regional programming, at Operational Priority Stations (as shown in Schedule 1) the reserve feed must carry the correct English regional variant. At non-priority Stations CTI may use an incorrect English-regional variant for reserve purposes only where this gives a substantial and identifiable technical or economic benefit to the BBC. Such use of an incorrect English-regional variant as a reserve feed will require prior agreement with the BBC.

5. DISTRIBUTION LINKS FROM THE BBC'S STUDIO CENTRES

5.1 CTI shall design, supply, install and operate or procure distribution links from the agreed BBC-CTI interface at the BBC's studio centres to the Phase 1 Stations covered in Schedule 1 and, if relevant, the subsequent Stations. Access to BBC studio centres for this purpose will be pursuant to the site sharing agreement shown in Schedule 10.

5.2 The key points of the overall architecture for BBC's DTT service are:

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- . Each DTT national-regional multiplex will be available at a network termination point at the appropriate studio centre in the national region. That is, BBC Scotland at Broadcasting House, Glasgow, BBC Northern Ireland at Broadcasting House, Belfast and BBC Wales at Broadcasting House, Cardiff.
- . The English-regional multiplexes for the English regions will be available at the relevant BBC studio centre.

5.3 At Operational Priority Stations a single point of failure between the main and reserve feeds should be avoided as far as is reasonably practicable. For reasons of Rights protection, CTI shall ensure that any terrestrial or satellite circuits used only for the primary distribution of services cannot be used to feed domestic installations outside the UK or to feed national-regional variants outside the relevant national-region. However, if a closed, low-power or proprietary system is used, the services may not need to be scrambled; any use of such an approach by CTI will require the prior agreement of the BBC.

6 MULTIPLEXING REQUIREMENTS

6.1 General

- 6.1.1 Subject to Sections 6.1 and 6.2 below, CTI shall design, procure, supply, install and operate suitable equipment to multiplex additional data into the MPEG data stream for radiation at each Station for cross-carriage of DVB SI.
- 6.1.2 No other recoding or remultiplexing of the DTT MPEG transport stream provided by the BBC shall be performed by CTI, without the prior written approval of the BBC.

6.2 Service Information (SI)

- 6.2.1 The SI referring to the BBC multiplex and inserted in the BBC multiplex shall remain correct in the event of a reserve feed for the BBC multiplex being selected. It is desirable that the SI referring to the BBC multiplex and offered to other multiplex operators also remains correct in the event of a reserve feed for the BBC multiplex being selected. Similarly, it is desirable that the SI referring to other multiplexes and inserted in the BBC multiplex accurately reflects the actual status of the services radiated on the other multiplexes. CTI shall comply with the SI insertion points identified in Schedule 1.
- 6.2.2 Should central collation of SI be chosen by the D-Mux group, and agreed by the BBC, remultiplexing equipment will be retained at the Station where SI is required to be inserted. The specification for this remultiplexing equipment, and the format in which the SI (or data from which SI is derived) is provided, will be dependent on the central collator system that is chosen.

6.3 Electronic Programme Guide (EPG) and Conditional Access (CA) data

- 6.3.1 The BBC will endeavour to reach agreement with any of the other multiplex operators which intend to carry an EPG and CA as part of their terrestrial multiplex. Although the insertion, carriage and cross carriage of EPG and CA data is outside the scope of this agreement, CTI shall assist in this process by providing the ability for appropriate data insertion and extraction to be carried out by the BBC or its agents, including a reasonable right of access to CTI buildings and/or items of infrastructure. In addition, CTI shall provide a design sufficiently flexible to accommodate the above requirements with minimal disruption and associated additional costs.

7 INDUSTRY LIAISON

- 7.1 CTI shall participate in relevant industry organisations and act on the BBC's behalf to ensure a co-ordinated approach to the introduction of DTT, and that the maximum compatibility is achieved between the signals radiated on each multiplex.
- 7.2 In particular CTI shall liaise with other multiplex service providers, operators and receiver manufacturers to assist the BBC in ensuring that the SI, EPG and CA information can be cross-carried and that the BBC's DTT services remain accessible by all DVB-T compliant receivers.

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SCHEDULE 6

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SCHEDULE 7

INTERFACE SPECIFICATION

1 SIGNAL FORMATS

1.1 The signals at the network termination point at the Studio Centres in the BBC will comprise multi-programme MPEG transport streams coded and formatted in accordance with the ETSI/DVB and ISO/IEC standards as they stand at the date of this Agreement, these being:

- . Reference 17
- . Reference 18
- . Reference 19
- . Reference 21

1.2 In addition to coded and compressed video, audio and data, the transport streams will include DVB SI, coded and formatted in accordance with the relevant ETSI/DVB and ISO/IEC standards which apply from time to time, which as at the date of this Agreement are:

- . Reference 7
- . Reference 9
- . Reference 10
- . Reference 11
- . Reference 13
- . Reference 22

1.3 Any DVB subtitling included in Data will be coded and formatted in accordance with Reference 25.

1.4 Any DVB Teletext included in Data will be coded and formatted in accordance with Reference 30.

1.5 Any data services included in Data will be coded and formatted in accordance with the relevant ETSI/DVB and ISO/IEC standards which apply from time to time, which as at the date of this Agreement are under development in the DVB Technical Module.

1.6 Although the Data will initially be supplied by the BBC unscrambled, at some time in the future the video/audio/data conveyed within these Data may be scrambled in accordance with Reference 23.

2 TRANSPORT STREAM BIT-RATE

2.1 The transport stream bit-rate provided by the BBC at each regional studio centre shall be less than or equal to 24.000 Mbits/s of which an agreed minimum of number kbits/s will be in the form of null packets.

2.2 No constraints shall be made by CTI on the BBC regarding the particular temporal distribution of these null packets.

3 BBC FEED ARCHITECTURE

3.1 At each regional studio centre the BBC intends to use duplicated MPEG-2 multiplexers in a 1+1 redundant configuration.

3.2 The appropriate multiplexer output will be selected under automatic control using downstream 2:1 coaxial switches.

- 3.3 Duplicate feeds of the selected output transport stream will therefore be provided in DVB-ASI byte mode form from these managed switches. The DVB-ASI transport stream physical interface is defined in Reference 24.
- 3.4 The contractual boundary at each studio centre will be the outputs of these managed switches.
- 3.5 The BBC will provide CTI with accommodation and power in accordance with the site sharing agreement in Schedule 10.
- 3.6 The sources of regional multiplexes are as follows:

REGION	STUDIO CENTRE
East (E)	Norwich
East Midlands	Nottingham
Midlands	Birmingham
North (N)	Leeds
North East (NE)	Newcastle
North West (NW)	Manchester
South (S)	Southampton
South East (SE)	Television Centre, London
South West (SW)	Plymouth
West (W)	Bristol
West Anglia	Cambridge
Northern Ireland	Belfast
Scotland	Glasgow
Wales	Cardiff

SCHEDULE 8

OPERATIONAL SERVICES

1 SERVICE LEVEL AGREEMENT

1.1 It is intended that the day-to-day administration of this Agreement be the subject of a formal service level agreement (SLA) between CTI and the BBC. The SLA will be jointly developed by the BBC and CTI during the first six months of this Agreement, and the BBC and CTI agree to progress this in a timely fashion and in good faith.

1.2 The operational service requirements described in the subsequent paragraphs will form the basis of the SLA, and shall apply until the SLA has been completed and agreed.

2 MONITORING SERVICES

2.1 General

2.1.1 CTI shall operate the DTT Transmission Service in such a way as to comply with the technical parameters set out in Table I for each Station, 24 hours a day.

2.1.2 CTI shall maintain and enhance its existing network of TV dealer contacts who are used to collate information on the quality of BBC TV reception, and report annually on its status.

2.2 Process

2.2.1 Continuous

2.2.1.1 CTI are responsible for the quality of the DTT signal from the Interface to the point of radiation from the transmit antenna at each Station. CTI shall continuously monitor the signal at points throughout the distribution system in order to confirm that the signal meets the parameters set out in Table 1 relevant to the monitoring point. If the signal fails to meet those parameters, CTI shall ensure that the monitoring equipment normally alerts the TOC via the primary communications link within 120 seconds of the failure commencing. Should the primary communications link fail, CTI shall ensure that the monitoring equipment alerts the TOC via a back-up communications link within 300 seconds of the failure commencing.

2.2.1.2 The parameters monitored continuously shall include:

- i) the integrity and decodability of the MPEG transport stream received at the Interface
- ii) the integrity and decodability of the broadcast MPEG transport stream
- iii) transmitter power (and therefore, indirectly, effective radiated power)
- iv) equivalent loss of noise margin (see Note 1 below)
- v) SI integrity

2.2.1.3 The monitoring provided by CTI shall be sufficient to identify that a failure has occurred, and the part of the Transmission Network at fault. Transport Stream monitoring shall be in accordance with Reference 33.

2.2.1.4 CTI and the BBC recognise that the monitoring regime will change over the life of this Agreement as measurement requirements change, and new techniques and equipment become available. CTI shall ensure that all monitoring is carried out in line with best industry practice, subject to a joint annual review by the BBC and CTI of the list of parameters to be monitored, the effectiveness of the monitoring and the mechanisms by which the monitoring takes place.

2.2.1.5 CTI and the BBC agree that the asterisked numbers in the algorithm set out in Appendix 1 will be reviewed in accordance with the impact of transient errored seconds on the viewer. Such review may require use of different parameters.

- 2.2.1.6 CTI shall procure test equipment to permit measurement of all parameters on a non-intrusive basis as soon as reasonably practicable, the type and quantity and timing of the acquisition of such test equipment to be reviewed and agreed at the joint annual review.
- 2.2.1.7 CTI are not responsible for validating the editorial content of the MPEG transport stream received at the Interface.
- 2.2.1.8 Faults not detected by the CTI monitoring system, but reported by BBC staff, CTI staff or third parties and notified to CTI will be investigated by CTI. Confirmed faults will be treated as Incidents for the purposes of this Agreement. Incidents detected in such a way will be deemed to have started at the time reported, unless evidence of an earlier start time can be established by the BBC or CTI. CTI shall keep full records of, and report at least annually on, the number of Incidents detected in this way. If the BBC considers that the number of faults which go undetected by the CTI monitoring system is significant, CTI shall take all reasonable steps to remedy the deficiency at its own cost.

Note 1

While this Agreement requires the measurement of the equivalent loss of noise margin or an agreed replacement parameter on a continuous basis, the BBC recognise that the state of technology pertaining at the time of commencement of the Agreement does not permit this. Subject to the periodic review of measuring equipment referred to in paragraph 2.2.1.6, the BBC will agree to a temporary relaxation whereby the equivalent loss of noise margin will be evaluated during the periodic tests described in paragraph 2.2.2.1 or at other times by mutual agreement, following the procedure described in Note 6 to Schedule 6, Part 2.

2.2.2 Periodic

- 2.2.2.1 CTI shall measure the parameters and confirm the correct operation of every DTT transmitter system at least once per year. The tests shall also cover the correct performance, operation and selection of reserve equipment where installed. The results of these tests and measurements shall be made available to the BBC on request. CTI shall maintain sufficient books and records to ensure this information can be obtained and shall retain records of such information for the duration of this Agreement, or in the case of a dispute, for such a greater length of time as is necessary to resolve it. Any interruptions to service required to make these measurements will be Accountable Incidents unless otherwise agreed.

2.2.2.2 Parameters checked shall include, but not be limited to:

- i) the group-delay variation across the DTT signal bandwidth (see Note 2 below)
- ii) the out-of-band emission of the DTT signal
- iii) the out-of-band emission of analogue signals which are co-channel with the DTT signal, arising as a result of analogue signals which are adjacent channel to the DTT signal
- iv) centre frequency
- v) general compliance with the WT Act licence conditions in accordance with best industry practice

Note 2

Until such time as this measurement can be made non-intrusively, the group delay will be inferred by measuring the amplitude response across the DTT signal bandwidth. If the amplitude response indicates that there may be a group delay problem, then the BBC will require the intrusive group-delay measurement to be made. The interruption required to make this measurement will be accountable, unless the group delay variation subsequently proves to be in specification.

2.2.3 Ad Hoc

- 2.2.3.1 In addition to the periodic measurements described above, the BBC will make random checks of all material aspects of transmitter performance. In the first instance, the measurements will be made off-site. If the measurements indicate that it is likely that a transmitter is failing to meet the performance or other criteria, the BBC may require CTI to demonstrate the performance of that transmitter to the satisfaction of the BBC within five working days of the BBC giving notice to CTI. The tests included in this process

will be at the discretion of the BBC, and may be more extensive than those required by paragraph 2.2.2.2 above. CTI will co-operate with this process by providing access to the relevant Station and suitable test equipment free-of-charge. The BBC reserves the right to also make the measurements using its own test equipment. Any interruptions to service required to make Ad-hoc measurements under this clause will be Accountable Incidents unless CTI are subsequently exonerated.

2.2.4 Auditing

2.2.4.1 The BBC may require CTI to disclose, free-of-charge to the BBC, other Station-specific information pertinent to this Agreement for correlation with Incident reports and for general auditing purposes. Such information may include, but not be limited to WT Act licence details, telemetry data, and auditable information which can confirm the correct operation of a Station over an extended period. CTI shall maintain sufficient books and records to ensure this information can be obtained and shall retain records of such information for the duration of this Agreement, or in the case of a dispute, for such a greater length of time as is necessary to resolve it. The BBC accept that raw (unprocessed) status data will only be automatically retained for a period of 30 days due to its volume.

2.3 Standards

2.3.1 Performance Classification

2.3.1.1 Performance limits are defined as follows:

Operating Limits The Performance Standards expected from a Station under normal operating conditions.

Failure Limits The Performance Standards at which a significant number of viewers with satisfactory receiving installations who normally receive a service from a Station would not receive a useable signal.

2.3.2 Measurements

2.3.2.1 Measurements undertaken by CTI shall be carried out with the test equipment listed in Table 1, and using techniques agreed with the BBC. All such test equipment must have a current certificate of calibration, and documentary evidence of this fact must be recorded with measurement results. Any changes to the methods of measurement or type of test equipment employed by CTI must be agreed with the BBC in advance.

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3.1.5 Logging Requirements

3.1.5.1. CTI shall record the following information for every Station as part of the continuous monitoring process outlined in paragraph 2.2.1.:

- i) the date, time and duration in whole seconds of Accountable Incidents

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ii) the date, time and duration in whole seconds of Non-accountable Incidents

3.1.6 Reportable Incidents

3.1.6.1 All Incidents are Reportable.

3.2 Operational

3.2.1 General

3.2.1.1 CTI will notify the BBC as soon as reasonably possible upon becoming aware of a Reportable Incident. Where practicable, CTI will also inform the BBC of the likely duration of the Reportable Incident, and the steps being taken to rectify it.

3.2.1.2 The detailed Incident reporting procedure will comprise part of the SLA, but it will be based on the following summary requirements.

3.2.2 Relationships

3.2.2.1 Routine operational business will be conducted on a day-to-day basis between the BBC and CTI nominated operational points-of-contact, copying information to the relevant contractual representatives as necessary. If a dispute arises, it should be escalated to the nominated contractual representatives of the parties.

3.2.3 Incident Reports

3.2.3.1 General

3.2.3.1.1 Incident reports will only be initiated for Incidents lasting 60 seconds or more.

3.2.3.1.2 The Incident reporting procedure will vary depending on the severity of the Incident, and the type of Station affected. An indication of the BBC's initial reporting requirements is given in Table 2 below. Both the BBC and CTI recognise that these requirements may need to be modified in the light of operational experience, and so the reporting mechanism will be subject to a joint annual review.

Table 2

REPORT TYPE	OPERATIONAL PRIORITY STATIONS			OTHER STATIONS		
	1	2	3	1	2	3
INCIDENT TYPE						
Failure to transmit the multiplex	X				X	
Transmission of Wrong Programme	X				X	
Failure to transmit a decodable multiplex	X				X	
RF parameters below failure limit	X				X	
Unavailable ES above failure limit	X				X	
Radiated COFDM BER above failure limit	X				X	
Transport stream invalid	X				X	
Failure to transmit the SI		X			X	
Failure to transmit other component part(s)		X			X	
RF parameters below operating limit		X			X	
COFDM BER above operating limit		X			X	

3.2.3.2 Report Type 1

3.2.3.2.1 A telephone report summarising the nature of the Incident shall be made by the CTI Operational Point-of-Contact to the BBC Operational Point-of-Contact within 5 minutes of the Incident being reported manually or electronically to the TOC, and again within 5 minutes of the end of the Incident. A written report shall be issued by the CTI operational point-of-contact to the BBC Operational Point-of-Contact and the BBC Representative within 10 minutes of end of the Incident.

3.2.3.3 Report Type 2

3.2.3.3.1 A written report shall be issued by the CTI operational point-of-contact to the BBC Operational Point-of-Contact and the BBC Representative within 10 minutes of the Incident being reported manually or electronically to the TOC, and within 10 minutes of the end of the Incident.

- 3.2.3.4 Report Type 3
 - 3.2.3.4.1 The Incident details shall be included in the monthly contractual report.
- 3.2.4 Planned Interruptions
 - 3.2.4.1 CTI shall issue a calendar of Planned Interruptions proposed for the succeeding 12 months on a monthly basis to the BBC Operational Point-of-Contact, and copied to the BBC Representative.
 - 3.2.4.2 Actual requests for BBC agreement to Planned Interruptions shall be made by CTI as far in advance as possible, and in any case not less than 14 days in advance of the commencement date requested for the work.
 - 3.2.4.3 Exceptionally, CM may need to request BBC agreement to a Planned Interruption with less than 14 days' notice. The BBC will use reasonable endeavours to consider such requests, but does not guarantee to do so. Significant levels of short-notice Planned Interruptions will invoke the escalation procedures.
 - 3.2.4.4 Text-based confirmation of agreed Planned Interruptions shall be issued by the CTI operational point-of-contact to the BBC Operational Point-of-Contact, and copied to the BBC Representative both at the time of the planning and at the time the work is scheduled to take place.
- 3.3 Contractual
 - 3.3.1 General
 - 3.3.1.1 The detailed Contract reporting procedure will comprise part of the SLA, but it will be based on the following summary requirements:
 - 3.3.2 Relationships
 - 3.3.2.1 Routine contractual business will be conducted between the BBC and CTI nominated contractual representatives.
 - 3.3.3 Performance Reporting
 - 3.3.3.1 A Contractual report shall be sent by CTI to the BBC Representative on or before the 10th of each calendar month. The exact format of the report will be defined during the first six months of this Agreement, but will cover the following points as a minimum:
 - 3.3.3.2 For the previous month
 - i) Unweighted Accountable performance by transmission.
 - ii) Unweighted. Non-accountable performance by transmission.
 - iii) Weighted Accountable performance by transmission.
 - iv) Weighted Non-accountable performance by transmission.
 - v) Response time performance against target for Stations in
 - vi) Table 3.
 - vii) Response time performance against target for other Stations.
 - viii) Commentary expanding on significant variances from the target.
 - 3.3.3.3 For the previous six months
 - i) Average unweighted Accountable performance by transmission.
 - ii) Average unweighted Non-accountable performance by transmission.
 - iii) Average weighted Accountable performance by transmission.
 - iv) Average weighted Non-accountable performance by transmission.
 - v) Service Credits incurred in the month of the report.

- 3.3.4 Meetings
- 3.3.4.1 The BBC and CTI Contract Representatives shall meet monthly, or less frequently by mutual agreement, to undertake a contract performance review.

3.4 Information Access

3.4.1 CTI will provide an on-line data service. CTI are also to maintain an up-to-date database containing all Reportable Incident details. Such details will be maintained for at least the term of this Agreement. The BBC shall be given on-line access to this database by CTI from two separate locations to enable it to check the accuracy of fault reporting, and for ad-hoc performance enquiries.

3.4.2 The database shall contain as a minimum for each Station:

- i) technical details
- ii) transmitter maintenance team identity
- iii) all Incident reports as issued to the BBC
- iv) Incident dates and durations
- v) Incident details
- vi) Incident response time
- vii) current availability figure on a monthly basis
- viii) historical availability figures on a monthly basis
- ix) service message archive

3.4.3 The BBC requires CTI to provide a customised database Graphical User Interface (GUI) which will permit the production of ad-hoc enquiry reports by the BBC in real time. It is intended that the design of this GUI will be finalised by agreement between the parties during the first six months of this Agreement, and the BBC and CTI agree to progress this in a timely fashion and in good faith.

4 PUBLIC ACCOUNTABILITY SERVICES

4.1 VIEWER COMPLAINTS

4.1.1 If CTI receives complaints from members of the public about problems with receiving the BBC multiplex or otherwise relating to the BBC's programmes, it shall not make comment but refer all such members of the public to the appropriate BBC Customer Services department. CTI shall only discuss problems with its network of dealer contacts referred to in 2.1.2 above.

5 PERFORMANCE MEASURES [*]

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SCHEDULE 9

FORM OF PARENT COMPANY GUARANTEE

THIS GUARANTEE is made the 10th day of February 1998 BETWEEN:

- (1) CASTLE TRANSMISSION SERVICES (HOLDINGS) LTD whose registered office is at Warwick Technology Park, Gallows Hill, Heathcote Lane, Warwick CV34 6TN (the "GUARANTOR"); and
- (2) THE BRITISH BROADCASTING CORPORATION, a corporation incorporated under Royal Charter, whose principal office is at Broadcasting House, Portland Place, London W1A 1AA (the "BBC").

WHEREAS

- (A) By an agreement of even date between the BBC and CTI, CTI has agreed to provide certain transmission and related services to the BBC (the "TRANSMISSION AGREEMENT").
- (B) CTI is a wholly owned subsidiary company of the Guarantor as defined in the Companies Act 1985.
- (C) The Guarantor has agreed to guarantee (upon and subject to the terms set out in this Guarantee) the due performance and observance by CTI of all its obligations under the Transmission Agreement.

IN CONSIDERATION of the BBC having agreed to enter into the Transmission Agreement, it is hereby agreed as follows:

1 DEFINITIONS

In this Guarantee terms and expressions defined in the Transmission Agreement shall, save where the context otherwise requires, have the same meanings herein.

2 GUARANTEE OF PERFORMANCE

- 2.1 The Guarantor hereby unconditionally and irrevocably guarantees to the BBC the due and punctual performance and observance by CTI of all the obligations of CTI under and pursuant to the Transmission Agreement and agrees to indemnify the BBC on an after-tax basis against all losses, liabilities, costs, charges, expenses, actions, proceedings, claims and demands which the BBC may suffer through or arising from any breach by CTI of its obligations under and pursuant to the Transmission Agreement. Without prejudice to the provisions of clause 3 of this Guarantee, the amount which the BBC shall be entitled to recover from the Guarantor hereunder in respect of or arising from any breach or default by CTI in the performance of its obligations or liabilities under or pursuant to the Transmission Agreement shall not exceed the amount for which CTI itself is or would be liable in respect of such breach or default, save that the foregoing limitation does not apply in respect of costs and expenses incurred by the BBC in enforcing the Guarantor's obligations under this Guarantee.
- 2.2 If and whenever CTI defaults for any reason whatsoever in the performance of any obligation or liability undertaken or expressed to be undertaken by it under or pursuant to the Transmission Agreement, the Guarantor shall upon demand perform (or procure performance of) and satisfy (or procure the satisfaction of) the obligation or liability in regard to which such default has been made in the manner prescribed in the Transmission Agreement and so that the same benefits shall be conferred on the BBC as it would have received if such obligation or liability had been duly performed and satisfied by CTI.

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3 PRIMARY OBLIGATION

- 3.1 The Guarantor is deemed to be a principal debtor in respect of its obligations under this Guarantee and not merely a surety and accordingly shall not be discharged nor shall its liability be affected by any act, omission or means whereby it would not have been discharged or its liability would not have been affected if it had been a principal debtor.
- 3.2 The BBC shall not be obliged, before enforcing this Guarantee, to have:
- 3.2.1 taken any action or proceedings against CTI; or
 - 3.2.2 obtained any judgment against CTI; or
 - 3.2.3 proven in any winding-up of CTI or agreed with CTI (or any administrator, liquidator, receiver or similar person) the amount of any liability of CTI to the BBC; or
 - 3.2.4 enforced any other security held by it in respect of the obligation of CTI under the Transmission Agreement; or
 - 3.2.5 exercised, levied or enforced any distress, diligence or other process of execution against CTI.
- 3.3 This Guarantee shall be in addition to, and not in substitution for, any rights or remedies that the BBC may have against CTI arising under or in respect of the Transmission Agreement or otherwise and may be enforced without first having recourse to any such rights.
- 3.4 The liability of the Guarantor under this Guarantee shall not be diminished by any matter (including without limitation any amendment to or variation of the Transmission Agreement, or any assignment of this Guarantee or any administration or winding-up order) that might restrict the ability of the BBC to bring any action or proceedings against CTI

4 CONTINUING GUARANTEE

- 4.1 This Guarantee shall be a continuing guarantee and shall continue in force and effect irrespective of the enforceability of any other provision of the Transmission Agreement.
- 4.2 Neither the winding-up, liquidation, dissolution, bankruptcy or any other disability, limitation, incapacity, event or circumstance in relation to the Guarantor or CTI nor any change in their respective certificates of incorporation, memorandum and articles of association, status, function, control or ownership shall terminate the liability under this Guarantee.
- 4.3 This Guarantee shall terminate when all obligations to be performed or discharged by CTI under the Transmission Agreement have been irrevocably performed or discharged.
- 4.4 This Guarantee is in addition to and without prejudice to and not in substitution for or derogation of any other rights or security held by the BBC or any person for whose benefit this Guarantee is given in respect of the performance and observance of the obligations of CTI under the Transmission Agreement and shall extend to any costs, charges and expenses reasonably incurred by the BBC in enforcing or seeking to enforce this Guarantee.

5 REPRESENTATIONS AND WARRANTIES

- The Guarantor hereby represents and warrants to the BBC that:
- 5.1 it has audited assets of more than (Pounds)100 million;
 - 5.2 it has the power to enter into, perform and comply with all of its obligations under this Guarantee;

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- 5.3 the execution and performance of this Guarantee does not breach its constitutional documents or any agreement by which it is bound;
- 5.4 this Guarantee has been duly authorised by it and all necessary consents and authorisations required by it in relation to this Guarantee have been obtained and are in force; and
- 5.5 all other actions, conditions and things required to be taken, fulfilled and done in order to enable it lawfully to enter into and exercise its rights and perform and comply with its obligations under this Guarantee, have been taken, fulfilled and done.

6 ASSIGNMENT AND SUCCESSORS

- 6.1 The BBC shall be entitled to assign the benefit of this Guarantee to any firm, person or company to whom or to which the BBC shall make an assignment of its interest under the Transmission Agreement.
- 6.2 The Guarantor shall not assign or otherwise transfer, dispose of or part with any of its rights or obligations under this Guarantee to any person or deal in any other manner with this Guarantee without the prior written consent of the BBC, such consent not to be unreasonably withheld. Any purported assignment in violation of this sub-clause 6.2 shall be ineffective.

7 JURISDICTION

- 7.1 Other than as set out above this Guarantee will be governed by and construed and interpreted in accordance with English law, and the parties will be subject to the non-exclusive jurisdiction of the English courts.

8 NOTICES

- 8.1 Any notice to be served by either party shall be in writing and shall be sent to the following addresses:

GUARANTOR The Company Secretary
Castle Transmission Services (Holdings) Ltd
Warwick Technology Park
Gallows Hill
Heathcote Lane
Warwick CV34 6TN

BBC Director, Policy and Planning
British Broadcasting Corporation
Broadcasting House
London W1A 1AA
Fax No. 0171 436 0393

- 8.2 Any notice, invoice or other document which may be given by either party under this Guarantee will be deemed to have been duly given if left at or sent by post (whether by letter or, where the parties agree in writing, in any other form) or facsimile transmission to the address set out above or to any other address notified to each other in writing in accordance with this clause as an address to which notices, invoices and other documents may be sent. Any such communication will be deemed to have been made to the other party:
- 8.2.1 if sent by hand, when delivered;
- 8.2.2 if sent by post, 72 hours after the envelope containing such notice was posted; or

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8.2.3 if sent by facsimile, when the transmission of the facsimile is confirmed delivered complete (if delivered on a business day) or if not at 9.30 a.m. (British Standard Time) on the next business day.

For the purposes of this Clause business day means 9 a.m. to 5 p.m. Monday to Friday every week of the year except for English public and bank holidays. It is further agreed that notices sent by facsimile will also be confirmed by sending a signed copy by post, the copy to be posted within 24 hours of sending of the facsimile.

IN WITNESS whereof this document has been executed as a Deed the day and year first before written.

The COMMON SEAL of CASTLE
TRANSMISSION SERVICES
(HOLDINGS) LTD was hereunto affixed
in the presence of:

Director

Secretary

The COMMON SEAL of THE BRITISH
BROADCASTING CORPORATION was
hereunto affixed in the presence of:

Director

Secretary

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Schedule 10

form of site Sharing Agreement

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DATED 10 February 1998

THE BRITISH BROADCASTING CORPORATION

and

CASTLE TRANSMISSION INTERNATIONAL LTD

AGREEMENT
FOR THE USE OF BUILDING/ROOF-TOP SITE
SHARING FACILITIES

LINKLATERS & PAINES

One Silk Street
London EC2Y 8HQ

Tel: 0171-456 2000

Ref: RMBD/GHC

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

THIS AGREEMENT is made on 10 February 1998 BETWEEN:

- (1) THE BRITISH BROADCASTING CORPORATION whose principal address is at Broadcasting House, Portland Place, London W1 A 1 AA ("the BBC"); and
- (2) CASTLE TRANSMISSION INTERNATIONAL LTD (registered number 3196207), a company incorporated under the laws of England and Wales whose principal place of business is at Warwick Technology Park, Gallows Hill, Heathcote Lane, Warwick CV34 6TN ("TX CO");

IT IS AGREED AS FOLLOWS:

- 1 The licensed use of the BBC's Building(s) (as described in the Building Schedule(s) annexed hereto) will be provided by the BBC and taken by Tx Co in accordance with and subject to the particulars and provisions set out in the following attachments:
 - (a) The Building Licence Site Sharing General Conditions (Issue 1) or such amended conditions as may from time to time be substituted by the BBC with the prior consent in writing of Tx Co (the "GENERAL CONDITIONS")
 - (b) the "BUILDING SCHEDULES" (which term will include all Supplemental Building Schedules and Termination Notices (if any) appended from time to time in accordance with the provisions of the General Conditions(collectively referred to as the "AGREEMENT")
- 2 The Agreement is entered into and forms part of a digital terrestrial television services agreement made between Tx Co and the BBC of even date (the "DTT SERVICES AGREEMENT")
- 3 To the extent that there is an inconsistency between the terms of the Agreement and the DTT Services Agreement the terms of the DTT Services Agreement shall prevail.

Signed by the BBC /s/ Patricia Hodgson	Signed for Tx Co /s/ Alan Rees
-----	-----
Name Patricia Hodgson	Name Alan Rees
-----	-----
Title Director of Policy and Planning	Title Chief Operating Officer
-----	-----

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1 DEFINITIONS & INTERPRETATIONS

In these conditions except where the Agreement otherwise requires the following expressions will have the meanings set out opposite them:

"THE BBC" means the British Broadcasting Corporation (acting through the BBC Representative).

The "BBC REPRESENTATIVE" means a person or person(s) nominated to Tx Co from time to time by the BBC to be its contractual point of contact. The initial BBC Representative will be Mark Evans.

"BUILDING(S)" means the land and/or building(s) and related structures named in Clause 2 of the Building Schedule(s) (collectively "BUILDING(S)") the use of which may (as the case may be) be deleted from the Agreement by the removal of a Building Schedule pursuant to a Termination Notice or added to the Agreement by the addition or substitution of one or more Building Schedule(s) both in accordance with the provisions of General Condition 16.

"BUILDING SCHEDULE(S)"/"SUPPLEMENTAL BUILDING SCHEDULE(S)" means those Schedules appended to the Agreement describing Tx Co's Equipment for which it is agreed Facilities at one or more of the Building(s) are to be provided.

"CHARGES" means the charges and the additional charges (if any) for the Facilities for Tx Co's Equipment in respect of the Building(s) set out in Clause 5 of the Building Schedule(s).

"COMMENCEMENT DATE" means the date set out in Clause 3 of the Building Schedule(s) in respect of each Building which is a date agreed between the BBC Representative and Tx Co, being a date not less than 30 days after Tx Co has given to the BBC Representative notice of Tx Co's intention to install equipment relating to DTT Services in a particular Building.

"DTT SERVICES" means the services to be provided by Tx Co described or referred to in the DTT Services Agreement.

"DUE DATE" means (in relation to any of the Charges and any other payments due under the Agreement) the commencement of the relevant charging period as described in the Building Schedule(s) (or where this is not applicable, 30 days after the issue of an invoice in respect of the same).

"EQUIPMENT HOUSING" means that part of the Building(s) used primarily to house Tx Co's Equipment and as the same is described in Clause 10 of the Building Schedule.

"FACILITIES" means the rights granted to Tx Co under the Agreement including such shared use by Tx Co with the BBC or any third party permitted by the BBC to use part or parts of the Building(s), and any other antenna support structures belonging to or otherwise under the control of the BBC at the relevant Building specified for this purpose) and any non-exclusive Equipment Housing such rights are more particularly described in General Condition 2.

"FORCE MAJEURE" means any event or circumstances beyond the reasonable control of the defaulting party which shall include but not be limited to Act of God, war, civil disturbance, statutory prohibition, Government intervention, order or act of Government or local/public authority, acts of terrorism, fire, lightning, flood, adverse weather conditions which cause physical damage to property used to supply DTT Services, explosion, accident, theft or vandalism, national strike action or industrial action taken by a union provided that neither party

can rely on strikes, industrial action, theft or acts of vandalism where it could reasonably have expected to have prevented them or the industrial action or strike is by its own employees only.

"TX CO" means Castle Transmission International Ltd (acting the Tx Co Representative).

"TX CO'S EQUIPMENT" means Tx Co's Equipment described in Clause 11 of the Building Schedule(s) and otherwise installed at the Building(s) (which may include antennas and equipment bays fixed on any of the locations described in Clause 11 of the relevant Building Schedule(s) together with any necessary associated equipment (e.g. transmitters/receivers, equipment racking and cabling) located in the Equipment Housing or as elsewhere permitted in the Building). A list of any new associated equipment shall be provided by Tx Co to the BBC for approval as to its size, type and positioning at least 14 days prior to the Commencement Date (which approval will not be unreasonably withheld or delayed).

"TX CO REPRESENTATIVE" means the person(s) named in Clause 1 of the Building Schedule(s) as the contact point or such alternative person whose name shall be notified to the BBC from time to time by Tx Co and who should be contacted initially by the BBC if there are any queries concerning the Agreement.

"TX CO STATUTORY LICENCES" means any statutory licences required by TX Co in accordance with the terms of the Agreement.

"PERMITTED USE" means Tx Co's use of the Building to provide DTT Services for the BBC via Tx Co's Equipment and/or such other uses as may be permitted from time to time by the BBC and as such Permitted Use is more particularly described in Clause 6 of the relevant Building Schedule.

"PERMITTED CONTRACTOR(S)" means any one or more of the following:

- (i) an employee of Tx Co;
- (ii) an employee of a public telecommunications operator as defined by the Telecommunications Act 1984 (or its statutory equivalent for the country in question) being a person authorised to run a public telecommunications system;
- (iii) any third party contractor employed by Tx Co for this purpose, provided the BBC has been given prior notification of the name of such third party contractor prior to their arrival at the Building to carry out any permitted works;

all of whom shall be permitted access by the BBC to the Building(s) subject to these General Conditions.

"SPECIAL CONDITIONS" means any conditions set out in Clause 12 of the relevant Building Schedule and which shall be supplementary to these General Conditions save and to the extent that there is any conflict between any Special Conditions and the General Conditions then and for the relevant Building the Special Conditions shall prevail.

"TERM" means the term described in Clause 4 of the Building Schedule(s) during which time the Facilities are available at the Building for the relevant Tx Co's Equipment and which shall commence from and including the Commencement Date and end on the termination of the DTT Services Agreement or pursuant to the variation/termination provisions contained in the General Conditions subject to any Special Conditions and any reference in the General Conditions to the Term shall be treated as a reference to the Term described in the Building Schedule(s) in which it appears.

"TERMINATION NOTICE" means a written notice in the prescribed form served by either party on the other in relation to any one or more Building(s) pursuant to General Condition 16 to expire at any

time during the Term for the relevant Building(s) without reference to the Commencement Date or the Agreement Date.

"VAT" means valued added tax or any substitute form of taxation on the supply of goods and services.

2 THE FACILITIES

2.1 PERMITTED USE

2.1.1 Subject to any Special Conditions the BBC shall during the subsistence of the Term:-

- (a) permit Tx Co, its employees and Permitted Contractor(s) to install, retain during the Term, inspect, maintain, repair, renew and remove as necessary (and at Tx Co's expense) Tx Co's Equipment located in the Equipment Housing and in, under or over such other part or parts of the Building(s) as the BBC shall from time to time approve (such approval not to be unreasonably withheld or delayed) for the Permitted Use described in Clause 6 of the relevant Building Schedule;
- (b) permit Tx Co to share use of such part or parts of the Building(s) and such of the BBC's equipment therein (including any standby generator equipment referred to in Clause 12 of the Building Schedule(s)), in common with others including the BBC, as the BBC may from time to time approve (such approval not to be unreasonably withheld or delayed);

such permission being granted by the BBC to Tx Co to facilitate the provision by Tx Co of DTT Services via Tx Co's Equipment or to facilitate any other purpose that may from time to time be approved by the BBC;

2.1.2 Subject to availability of space, where the existing Equipment Housing, provided by the BBC, is insufficient for the provision of DTT Services via Tx Co's Equipment the BBC shall permit additional Equipment Housing to be erected and/or attached to the Building(s) subject to the BBC's prior approval of the specifications and positioning of the same and otherwise subject to the provisions of the General Conditions (including General Condition 2.2.1).

2.2 EQUIPMENT HOUSING

2.2.1 The Equipment Housing shall be:-

- (i) existing Equipment Housing located on the Building and made available to Tx Co by the BBC; or
- (ii) new Equipment Housing agreed with Tx Co and to be provided by the BBC and erected by the BBC, at the BBC's cost where the new Equipment Housing is required in order to provide services to the BBC, or otherwise at Tx Co's cost; or
- (iii) new Equipment Housing agreed with the BBC to be provided and erected under the BBC's supervision by TX Co or any Permitted Contractor(s), at the BBC's cost where the new Equipment Housing is required in order to provide services to the BBC, or otherwise at Tx Co's cost; and

in either (ii) or (iii) above any such Equipment Housing shall be constructed and installed in accordance with plans reasonably approved by the BBC and the costs incurred (whether payable by Tx Co or the BBC as aforesaid) shall include any costs properly incurred by the BBC in seeking any necessary planning consents (including any architects', surveyors' and other professional fees in relation to applying for such planning consents) in addition to the BBC's reasonable supervision costs.

- 2.2.2 Unless Clause 5(b)(iii) of the Building Schedule(s) provides otherwise, TX Co shall not be responsible for the payment of any business rates assessed on any Building on which TX Co's Equipment is located. Nevertheless, and in the BBC's entire discretion, if in direct consequence of the installation of Tx Co's Equipment on the Building additional business rates are payable by the BBC in respect of the Building(s) or any part thereof and Tx Co's Equipment is being used other than to provide DTT Services to the BBC then and in such circumstances the BBC shall be entitled to obtain reimbursement from Tx Co for the amount of such increase from time to time during the Term.
- 2.23 Save only as provided herein and in General Condition 2.2.5 below nothing in the Agreement shall confer on Tx Co any right to exclusive occupation of any Equipment Housing, (including any new Equipment Housing constructed on the Building(s) at Tx Co's cost), unless there is a specific provision in the Building Schedule(s) to the contrary, and Tx Co shall not object to the BBC permitting others (including the BBC) to share occupation of any such Equipment Housing on such terms as the BBC shall decide, provided such occupation does not cause any resulting damage to Tx Co's Equipment or adversely affect the performance of Tx Co's Equipment.
- 2.2.4 Save only as provided in General Condition 2.2.5 (or unless there is a specific provision to the contrary in the relevant Building schedule) any Equipment Housing, whether provided by the BBC, or Tx Co, and irrespective of the costs paid by Tx Co, shall be deemed to form part of the Building upon which it is situated control of which shall vest in the BBC upon completion of its construction and installation.
- 2.2.5 Notwithstanding the provisions of General Condition 2.2.4 where the structure used to accommodate Tx: Co's Equipment consists of one or more moveable equipment cubicles provided by Tx Co solely for Tx Co's exclusive use, such Equipment Housing shall be treated as belonging to Tx Co, and shall be deemed to form part of Tx Co's Equipment for the purpose of interpreting the General Conditions and shall remain in the ownership of Tx Co.
- 2.2.6 Tx Co will be responsible for the security of any Tx Co's Equipment Housing used solely by Tx Co (including any moveable equipment cubicles of the kind described in General Condition 2.2.5) and shall provide the BBC with a key to the same to be retained by the BBC in a suitable secure position for use in cases of emergency and to enable the BBC to check that TX Co is complying with its obligations under these General Conditions.

2.3 ACCESS GENERALLY

- 2.3.1 Subject to any additional provisions set out in Clause 7 of the Building Schedule(s) and otherwise subject to any Special Conditions the BBC grants to Tx Co the rights:-
- (i) for Tx Co, its employees and Permitted Contractor(s) to use any private access roads leading to the Building(s) which are under the control of the BBC (either with or without motor vehicles as the BBC shall decide) at all times and as often as Tx Co shall reasonably require in order to gain access to the Building(s); and
 - (ii) with effect from the Commencement Date of sufficient and reasonable access to and egress from the Building(s) along such routes in the Building(s) as the BBC shall from time to time direct and as are reasonably necessary for Tx Co, its employees and Permitted Contractor(s) in order to enjoy the Facilities granted and comply with its obligations under these General Conditions and to view and inspect any of Tx Co's Equipment, provided Tx Co will be held responsible by the BBC for the conduct of its employees and Permitted Contractor(s) during any such visits to the Building(s) and Tx Co shall procure that such persons comply with the relevant terms of these General Conditions for this purpose;

(iii) for any representatives of the Radiocommunications Agency, and the Director General of Telecommunications (or their statutory successors) to enter the Building(s) insofar as necessary to comply with any rights of inspection reserved or implied under any Tx Co Statutory Licenses.

2.3.2 Notwithstanding the provisions of General Condition 2.3.1, Tx Co acknowledges that the BBC may refuse entry to any Building(s) to a person who does not produce a suitable identification pass or other means of identification as a Tx Co employee or a Permitted Contractor(s) or representative of any of the bodies referred to in General Condition 2.3.1 (iii) above to the BBC's Representative or his nominee at the Building(s) and further that the BBC may refuse admittance to and require the removal from the Building(s) of any person whose behavior the BBC's Representative reasonably considers undesirable and/or likely to disrupt the safe operation of the Building(s). Tx Co shall further be required to accept responsibility for the behaviour of any such employees or Permitted Contractor(s) attending the Building(s) on Tx Co's business and shall procure that they behave in a responsible manner and comply with any reasonable requests of the BBC's Representative or his nominee.

2.3.3 The BBC may from time to time modify the means of access to the Building(s) or to Tx Co's Equipment on the Building(s) made necessary by any works in progress, or for reasons of safety, or generally in the interests of orderly management, provided that any such restrictions will not otherwise prevent the exercise of Tx Co's right to use Tx Co's Equipment pursuant to the Agreement (which modifications may include the imposition of reasonable instructions regarding admittance to the Building(s) and the number, supervision and times of visits which may from time to time be made by the BBC and notified to Tx Co).

3 24 HOUR ACCESS

Where Tx Co requires to visit a Building which is not generally open to 24 hour access the BBC will use all reasonable endeavours to make local arrangements for Tx Co which will enable 24 hour access to be available in times of emergency, provided in such circumstances any reasonable additional staff attendance costs incurred by the BBC are met by Tx Co.

4 THE CHARGES

4.1 For the duration of the relevant Term (and unless otherwise provided in the Special Conditions commencing on the Commencement Date set out in the relevant Building Schedule) Tx Co will pay to the BBC the Charges payable in respect of each of the Building(s) on the Due Date, Including any review of the Charges pursuant to the provisions of General Condition 4.2, or until varied in accordance with the provisions of General Condition 16, free of all deductions.

4.2 Unless otherwise provided in the Special Conditions, the BBC will be entitled to review at any time the Charges payable under this Agreement, but in the case of review other than:-

(i) in consequence of a change of Tx Co's Equipment or any other change to the Facilities required by Tx Co; or

(ii) pursuant to General Condition 5.1;

then such reviews will not occur more often than at annual intervals (or any greater intervals described in the relevant Building Schedule(s)), and then only on the BBC giving Tx Co not less than three months' notice in writing. Such variation in the Charges shall take effect from the date of expiry of the said notice, and shall be to an amount which the BBC will in its discretion determine as representing the current open market value for the Facilities for Tx Co's Equipment.

4.3 For an Agreement incorporating more than one Building Schedule if Tx Co wishes to have common Charges payment date(s) and/or common Charges review dates for all the Buildings at which Facilities are provided under the Agreement the date(s) stated in Clause 5(c) of the Building Schedule will apply, instead of those stated under Clause 5(a) of each Building Schedule, with effect from the date of issue of the Building Schedule in which Clause 5(c) has been completed and shall continue until this provision is deleted from any subsequent Building Schedule signed by Tx Co, Issued pursuant to the General Conditions and appended to the Agreement.

5 ELECTRICITY

5.1 Subject to any Special Conditions, unless a separate supply is arranged, the BBC will use all reasonable endeavours to supply electricity to Tx Co's Equipment subject to Tx Co reimbursing the BBC's electricity supply charges in accordance with the provisions of Clause 5(b)(i) of the Building Schedule(s), including any periodic review of the same which the BBC may require at any time during the Term if Tx Co's consumption, or the local electricity/electricity supplier's tariff changes and/or where the BBC has agreed to make emergency back-up generated supplies available. The BBC shall not be required to discount its electricity supply costs to Tx Co at the Building(s) to a price below the standard unit tariff price of the local supply company unless any discounted price obtained is solely attributable to Tx Co's usage.

5.2 Tx Co agrees that the BBC will not be held responsible by Tx Co for any failure or interruption to any electricity supply or be held liable for any costs or damages arising in consequence of any failure to provide the same caused other than in consequence of any negligent act or omission of the BBC.

6 ALTERATIONS/ADDITIONS TO TX CO'S EQUIPMENT

6.1 Prior to carrying out any works or alteration or addition to Tx Co's Equipment during the Term (including any ancillary DTT Services works pursuant to General Condition 9.13) Tx Co will first notify the BBC Representative of any such proposals, The BBC may in its discretion require that any such works carried out on the Building outside the boundary of any exclusively occupied Equipment Housing are supervised by a BBC employee (the reasonable costs of which must be met by Tx Co as an additional charge).

6.2 If any works proposed by Tx Co involve any alterations to any BBC property (including any part of the Building(s) or any BBC equipment), the BBC may consent to such works in its discretion, and may also impose conditions including inter alia the performance of such works by a BBC employee or otherwise under the supervision of the BBC and where such works are not required in order to provide any enhanced DTT Services for the BBC as a customer of Tx Co, the BBC may also impose a requirement for reinstatement of any BBC property or equipment to its former condition at the determination of the Agreement (or the determination of that part of the Agreement relating to the Building(s) in question where applicable) at Tx Co's cost.

6.3 Where any works involves any material change to the Facilities and/or to Tx Co's Equipment as described in the Building Schedule(s), the BBC will be entitled to require Tx Co to agree to vary the Building Schedule(s) in relation to the Building(s) in question and where appropriate amend the Charges in consequence.

6.4 Any works proposed by Tx Co requiring planning consent shall be subject to General Condition 7.

7 PLANNING

Tx Co will not make any applications for planning permission in relation to the Building(s) or Tx Co's Equipment or any Equipment Housing without the prior approval of the BBC (such approval

not to be unreasonably withheld or delayed) provided that the BBC may (unless otherwise agreed with Tx Co) require, as a condition of giving its approval, that any such application for planning consent is made by the BBC acting as agent for Tx Co and in such circumstances, (again unless otherwise agreed with Tx Co) the BBC shall be entitled to recover from Tx Co any reasonable costs which it incurs in acting as Tx Co's agent for this purpose.

8 MAINTENANCE OF TX CO'S EQUIPMENT

- 8.1 Tx Co will ensure that Tx Co's Equipment is maintained in generally safe repair and condition during the Term to the BBC's reasonable satisfaction.
- 8.2 Tx Co will use all reasonable endeavors not at any time electrically or physically to impair, disrupt, interfere with or interrupt any of the BBC's or any existing third party users' emissions and forthwith will use all reasonable endeavours to ensure the repair of any faults in Tx Co's Equipment which cause or may cause any such interference and will indemnify the BBC against any costs properly incurred by the BBC or any third party in remedying any such faults.
- 8.3 Tx Co will be responsible for keeping:-
- (i) any Tx Co's Equipment comprising moveable equipment cubicles in good repair and condition; and
 - (ii) the interior of any exclusively occupied Equipment Housing which accommodates Tx Co's Equipment in a clean and tidy condition and free from its own rubbish in accordance with any reasonable requirements from time to time imposed by the BBC for the benefit of the health and safety of the users of the Building(s) (including Tx Co) and the efficient operation of the Building(s); and
 - (iii) any doors or access openings comprised in any Equipment Housing (or Tx Co's Equipment comprising moveable equipment cubicles) free of obstruction.

9 OTHER OBLIGATIONS OF TX CO

TX CO WILL:

- 9.1 Not start using the Facilities unless or until:-
- (i) Tx Co has obtained any requisite Tx Co Statutory Licences in relation to the Facilities; and
 - (ii) the BBC has confirmed that any planning or other consents which it has agreed to obtain on behalf of Tx Co have been obtained (other than for Facilities already in place at the date of the Agreement for which prior agreement shall be deemed to have already been obtained); and
 - (iii) the BBC has Issued a Building Schedule(s) in respect of the Facilities to be granted at the Building(s) in question and the Building Schedule(s) has been signed by Tx Co, dated and annexed to the Agreement; and
 - (iv) the agreed Commencement Date occurs.
- 9.2 Not start any installation of Tx Co's Equipment unless the person to be employed by Tx Co to carry out any such installation is a Permitted Contractor(s).
- 9.3 Where applicable and at its own expense retain throughout the Term Tx Co Statutory Licences other than as provided in the DTT Services Agreement of even date to be paid by the BBC, (including any Tx Co Statutory Licences necessary in respect of any additional Building(s))

comprised in any Supplemental Building Schedule(s) added to the Agreement in accordance with the provisions of General Condition 16.7).

- 9.4 Tx Co agrees to attach permanent identification to all Tx Co's Equipment in common areas in a manner that has been agreed with the BBC Representative.
- 9.5 In addition to the Charges pay any other sums payable under the Agreement (including any due pursuant to General Conditions 2.2, 3, 6.1, 6.3, 7, 9.11, 9.13(iii) and 16.9) on the Due Date.
- 9.6 Accept that no liability shall attach to the BBC or any BBC employees in respect of the performance, safety or suitability for its purpose of any Tx Co's Equipment unless the installation of the same was carried out or otherwise supervised by or on behalf of the BBC as part of any maintenance services and except insofar as the BBC is in breach of its maintenance obligations in respect of any Tx Co's Equipment contained in any maintenance services agreement.
- 9.7 Not erect or cause to be erected any buildings or structure or other erection on the Building(s) save as provided in the Building Schedule(s).
- 9.8 Not tamper with or carry out any unpermitted works or otherwise cause any damage to the Building(s) or any other equipment belonging to the BBC or any third party located on the Building(s).
- 9.9 In exercising the rights granted under the Agreement, not do or permit anything to cause interference, nuisance, annoyance, inconvenience, loss or damage to the BBC.
- 9.10 Not (save as permitted in General Condition 2.3.1 above) permit or allow any other persons to visit the Building(s) or handle Tx Co's Equipment without the prior written consent of the BBC.
- 9.11 Ensure that while at the Building(s) its employees, and Permitted Contractor(s) behave in a responsible manner and comply with all the BBC's reasonable security and/or safety requirements and in the event of any damage being caused to the Building(s) or to any property or equipment thereon belonging to the BBC or to any third party in consequence of the exercise of the Agreement by Tx Co, its employees or its Permitted Contractor(s) (and not as the result of any negligent act or omission of the BBC or its employees or contractors) to forthwith reinstate the same to the BBC's reasonable satisfaction (or where the BBC reasonable requires reimburse the BBC with the full costs and expenses properly incurred by it in carrying out such reinstatement on Tx Co's behalf).
- 9.12 Where any of Tx Co's Equipment is to be placed on, above or below ground outside the Building(s) boundaries and where the BBC is not otherwise able to grant any rights of installation over such ground obtain, at its sole expense, the agreement of any other party or parties having an interest in such ground prior to installation and shall indemnify the BBC fully in this respect.
- 9.13 Negotiate any ancillary DTT Services, including telephone connections which it requires for its use on the Building, subject to obtaining the BBC's prior consent (which will not be unreasonably withheld or delayed) to the location of any equipment relating to the same on or under the Building and outside the Equipment Housing, provided that Tx Co shall where such works are not required in order to provide any enhanced DTT Services for the BBC as a customer of Tx Co be responsible:-
 - (i) for arranging the removal of any such equipment at the end of sooner termination of the Term at Tx Co's expense; and
 - (ii) for the costs of reinstating any damage caused to the Building by such removal; and
 - (iii) for reimbursing the BBC's reasonable supervision costs.

9.14 Not erect or permit or suffer or allow to be erected any sign, notice or advertisement on the Building(s) save only such sign(s) or notice(s) as the BBC shall in its reasonable discretion permit and otherwise in accordance with these General Conditions.

9.15 In no circumstances permit or suffer or allow any of its employees or Permitted Contractor(s) or any other third party to reside at the Building(s).

9.16 Not light or permit or suffer to be lit any fire on the Building or on any access thereto nor block or obstruct nor permit or suffer to be blocked or obstructed any fire exits or access for fire fighting equipment.

10 SWITCHING OFF TX CO'S EQUIPMENT

BY THE BBC

10.1 Without prejudice to the provisions of General Condition 8.3, Tx Co acknowledges that the BBC will be entitled to switch off Tx Co's Equipment:-

- (i) in a life or property threatening emergency; or
- (ii) where Tx Co's Equipment is causing interference to any of the telecommunications services of other users of the Building (including the BBC) and where the BBC has taken reasonable measures to contact and inform Tx Co that such interference exists and where practicable to do so the BBC has allowed Tx Co a reasonable period to remedy any such interference caused by Tx Co's Equipment, or has otherwise requested Tx Co to switch off Tx Co's Equipment as required under General Condition 10.5, but Tx Co has not done so and the interference still exists; or
- (iii) if required to do so by a Government authority provided that the BBC shall use its reasonable endeavours to inform Tx Co of such requirement before Tx Co's Equipment is switched off; or
- (iv) with the agreement and at the request of Tx Co; or
- (v) where Tx Co has terminated its requirement for the Facilities pursuant to General Condition 16.4 but has failed to remove Tx Co's Equipment; or
- (vi) where Tx Co is in material breach of any of the terms of the Agreement and has not remedied such breach within a reasonable time of receiving notice from the BBC requiring it to do so.

10.2 Tx Co will provide a switch on Tx Co's Equipment to enable it to be switched off by the BBC in accordance with General Condition 10.1.

10.3 The BBC shall in the event of Tx Co's Equipment being switched off pursuant to General Condition 10.1, notify Tx Co of this fact as soon as reasonably practicable.

BY TX CO

10.4 Tx Co will be required to temporarily reduce power or switch off Tx Co's Equipment by arrangement with the BBC Representative on being given reasonable prior notice (or forthwith in the case of an emergency) where the BBC considers the radiation level of Tx Co's Equipment is unsafe for access to the relevant Building for essential works by the BBC, its employees and contractors. In such circumstances Tx Co will be asked to keep Tx Co's Equipment on reduced power or switched off until all such persons and their equipment have completed the necessary

works and vacated the relevant part of the Building. The BBC will make every reasonable effort to ensure such requests only occur at times when there will be minimum disruption to DTT Services.

- 10.5 Without prejudice to the provisions of General Condition 8.3, in the event of any interference being caused to any of BBC's emissions (or to those of any other lawful third party users at the Building(s)) by Tx Co's Equipment, Tx Co shall forthwith either eliminate the interference or where there is interference which cannot be remedied in such time as the BBC shall reasonably require, Tx Co shall switch off Tx Co's Equipment until such time as the interference has been eliminated, the cost of all such measures to be borne by Tx Co.

11 NO ENLARGEMENT OF RIGHTS

Tx Co acknowledges that the Agreement permits Tx Co to use the Facilities in accordance with the Building Schedule(s) and that no provisions in the Agreement are intended to create nor shall be treated or construed as creating the relationship of landlord and tenant but merely that of the provider and hirer (respectively) of services and Tx Co makes no claim in this respect and further accepts that the BBC shall not be restrained by anything contained in the Agreement from using the Building(s) and any equipment (other than Tx Co's Equipment) for the purposes of the BBC's business undertaking or permitting others to use the Building(s) and any equipment (other than Tx Co's Equipment) including inter alia any non-exclusive Equipment Housing and access ways (including building risers) as the BBC may in its discretion decide.

12 INTEREST

If payment of the Charges or any other fees payable under the Agreement are not made on the relevant Due Date, then without prejudice to any other rights of the BBC, Tx Co agrees the BBC may charge interest (calculated on a daily basis) on the outstanding amount from the Due Date until payment, at the rate of 2% per annum above the base rate of Lloyds Bank plc applicable during the time of non-payment, or where such rate cannot be ascertained, at 2% per annum above the average of the base rates of the London clearing banks in force from time to time during the period of the delay (without prejudice to any other right or remedy of the BBC under the Agreement).

13 VAT

- 13.1 All the Charges and other fees described in the Building Schedule or otherwise payable under the General Conditions are exclusive of VAT which shall be charged in addition thereto in accordance with the relevant law in force at the time of making the relevant taxable supply and shall be payable by the paying party only against receipt from the other of a valid VAT invoice in respect thereof.
- 13.2 Where under the Agreement one party has agreed to reimburse or indemnify the other in respect of any payment made or cost incurred by the other then the first party shall also reimburse any VAT paid by the other which forms part of its payment or costs incurred to the extent that such VAT is not available for credit for the other (or for the representative member of the other's VAT group) under Section 25 and 26 of the Value Added Tax Act 1994 (or any replacement or equivalent provision).

14 NO ASSIGNMENT OR SUB-CONTRACTING

- 14.1 This Agreement is personal to the parties hereto and they shall not assign, transfer, sub-licence, share use or deal in any manner with the Agreement or the rights herein contained other than as expressly herein provided.

14.2 Each of Tx Co and the BBC shall be entitled to transfer the Agreement to any of its wholly owned subsidiaries provided that:-

- (a) each party procures that the transferee is bound by a direct covenant with the other party to observe inter alia all the terms of this Agreement; and
- (b) if any transferee ceases to be a wholly owned subsidiary of either the BBC or Tx Co, as the case may be, the Agreement will be transferred back to Tx Co or the BBC, or one of their wholly owned subsidiaries.

15 INDEMNITY (LIABILITY AND INSURANCE)

This Agreement forms part of the DTT Services Agreement. Accordingly, the liabilities of the parties are as set out below.

15.1 Each party shall be responsible for the insurance of its property at the Building(s).

15.2 Both parties must maintain insurance against any loss, damages, claims or actions arising from:

- (a) personal injury or death;
- (b) public liability; and/or
- (c) any other liability for which either is required by law to insure, arising out of the performance of this Agreement.

15.3 Tx Co must maintain insurance cover adequate to cover the risks which it is likely to incur in relation to the subject matter of this Agreement, with a minimum of:

- (a) primary public and product liability insurance in a form reasonably acceptable to the BBC providing for payment of a sum up to (Pounds)50 million for any one occurrence (or in the annual aggregate for product liability) and, in the case of third party property damage arising out of the use of private vehicles, unlimited cover and, in the case of third party property damage arising out of the use of commercial vehicles, (Pounds)5 million in respect of one occurrence;
- (b) employer's liability insurance sufficient to meet its statutory requirements and sufficient to cover any liabilities to past or present employees;
- (c) all risks or loss or damage to property and business interruption insurance in a form reasonably acceptable to the BBC in respect of the Building(s) and all equipment used to provide the DTT Services covering the full re-instatement value of all such assets and the reasonable cost of any replacement transmission services from the Building(s) or any other stations used to supply any part of the DTT Services; and
- (d) professional indemnity insurance of at least (Pounds)5 million per year, commensurate with the nature of the risks undertaken in that year.

15.4 Where requested by the BBC, Tx Co agrees to provide the BBC with a copy of the relevant policy or policies or evidence of such insurance and its material terms referred to in this General Condition 15 which shall be treated as confidential information belonging to Tx Co. Tx Co will also notify the BBC of any substantive change to the insurance programme maintained by it and referred to in this General Condition 15 for the risks covered.

15.5 Where Tx Co engages Permitted Contractor(s), it shall ensure that its insurance includes cover for its liabilities in respect of the acts and omissions of the Permitted Contractor(s) or that the

Permitted Contractor(s) have their own insurance with appropriate cover in the light of the work to be undertaken by the Permitted Contractor(s).

- 15.6 For purposes of this General Condition 15, "CONTRACTS" means this Agreement, the DTT Services Agreement and any other agreement between the parties relating to the subject matter of the Contracts.
- 15.7 Each of the BBC and Tx Co shall indemnify the other on an after-tax basis against all claims or actions brought against the other by any third party relating to:
- (a) personal injury; or
 - (b) loss of, or damage to, property; or
 - (c) Harmful Interference (as defined in the DTT Services Agreement) caused to analogue or digital broadcasts, excepting any such claims made by viewers;
- caused as a result of any breach of this Agreement or any wilful or negligent act or wilful or negligent omission by the party from whom indemnification is sought. Without limiting the generality of this General Condition 15.7, Tx Co will indemnify the BBC on an after-tax basis against any claims made against the BBC by any party as a result of damage caused by Tx Co to the property of that party in installing, maintaining or operating transmitters for provision of the DTT Services.
- 15.8 Each of the BBC and Tx Co will indemnify the other on an after-tax basis against any loss incurred by the relevant party resulting from damage to that party's property or injury to its employees or the employees of its agents or sub-contractors arising out of any breach of any of its obligations, warranties or undertakings contained in any of the Contracts or any other agreements between the parties relating to the provision of the DTT Services or any other negligent or wilful act or omission of the party from whom an indemnity is sought.
- 15.9 The party from whom indemnification is sought shall have the right to conduct any proceedings brought by a third party against the other party or to settle any such proceedings subject to reimbursing the other party any costs of such proceedings and any damages, costs and expenses payable by the indemnified party arising out of those proceedings. Both parties will notify the other as soon as possible of the existence of a claim which is reasonably likely to give rise to a claim for indemnification under this General Condition 15.
- 15.10 Neither party excludes or restricts liability for death or personal injury resulting from its own negligence or from liability arising under the Health and Safety at Work Act 1974 or any regulations made pursuant to that Act.
- 15.11 Neither Tx Co nor the BBC shall be held responsible for the consequences of any act or omission or misconduct of any third party, unless:
- (a) such third parties are in the employment of or providing sub-contracted services to either Tx Co or the BBC at the time the incident takes place; or
 - (b) the party claimed against has recovered damages in respect of such act, omission or misconduct directly from the relevant third party or otherwise where it has recovered insurance (and in each such case to the extent of such recovery or insurance claim) provided that where such party is entitled to claim damages and/or recover under such insurance policy it shall use all reasonable endeavors to do so as soon as reasonably practicable.
- 15.12 The BBC, shall not be liable, whether in contract, tort, negligence, breach of statutory duty or otherwise to Tx Co for loss of profits other than any element of profit comprised in the Charges

(as defined in the DTT Services Agreement) or for any indirect, special, incidental or consequential loss whatsoever arising out of its performance of or failure to perform any of the Contracts or otherwise.

- 15.13 The BBC's liability for all matters under the Contracts, other than for payment of the Charges (as defined in the DTT Services Agreement) or for payment of any of the termination sums provided for in Clause 12.2 of the DTT Services Agreement or for any sums payable in respect of Tx Co's Equipment or in respect of the repudiatory breach of any of the Contracts or in respect of the content indemnity contained in Clause 4.2.3 of the DTT Services Agreement, shall be limited to one million pounds ((Pounds)1,000,000) in any year or, if greater, the amount recovered by the BBC in respect of and to the extent attributable to such loss pursuant to any insurance policy maintained by the BBC.
- 15.14 Tx Co's total aggregate liability in respect of all matters under or arising out of the Contracts in any one year, including in relation to the payment of liquidated damages and/or Service Credits (as defined in the DTT Services Agreement), will be limited to the higher of the total Charges (as defined in the DTT Services Agreement) payable by the BBC to Tx Co in that year or the amount received by Tx Co in respect of and to the extent attributable to any such loss pursuant to any insurance policy maintained by Tx Co, whether such claim arises in contract, tort, negligence, breach of statutory duty or otherwise.
- 15.15 Tx Co shall not be liable, whether in contract, tort, negligence, breach of statutory duty or otherwise, to the BBC for loss of profits or for any indirect, special, incidental or consequential loss whatsoever whether incurred by the BBC or a third party arising out of its performance of or failure to perform any of its obligations under the Contracts or otherwise.
- 15.16 For the avoidance of doubt, Tx Co is liable to pay to the BBC any liquidated damages and/or Service Credits (as defined in the DTT Services Agreement) payable in accordance with the Contracts.
- 15.17 The Contracts set out the full extent of each party's obligations and liabilities relating to the DTT Services whether in contract, tort, negligence, breach of statutory duty or otherwise. In particular, there are no conditions, warranties or other terms, express or implied, as to satisfactory quality, fitness for purpose or of any other kind whatsoever which are binding on Tx Co except as specifically set out in the Contracts. Any other condition, warranty or other term relating to the provision of the DTT Services or the sale of Tx Co's Equipment which might otherwise have been implied into the Contracts by statute, common law or otherwise is hereby excluded.

16 VARIATION AND/OR TERMINATION

BY EITHER PARTY:-

- 16.1 The BBC or Tx Co may determine the Agreement and/or any individual Building Schedule by delivery to the other party of a final written notice where:
- (i) there has been a material breach of the Agreement in respect of one or more of the Station(s) by the other party which has not been rectified within 30 days of an initial written notice being received by the defaulting party requiring that party to do so; or
 - (ii) one party has become insolvent, bankrupt, or is in receivership or administration.
- 16.2 The BBC or Tx Co may terminate the Facilities at one or more of the Building(s) by the termination of the provisions of the Agreement insofar as they relate to one or more of the Building(s) referred to in the relevant Building Schedule(s) or by the termination of the provisions of the Agreement in its entirety where either:

- (i) there is an interruption of these Facilities due to an event of Force Majeure which has continued for a period in excess of 3 months (and for the avoidance of doubt in such circumstances the BBC shall not be liable for any loss to Tx Co or others claiming through Tx Co as a result of such interruption); or
- (ii) both Tx Co and the BBC consent to such early termination,

BY TX CO:-

- 16.3 Tx Co may terminate the Agreement on serving a valid Termination Notice giving not less than six months' prior notice, to expire at any time (without reference to the Commencement Date, or the Agreement Date, or the Term).
- 16.4 Where the Agreement incorporates more than one Building Schedule Tx Co may modify the Agreement by terminating its requirement for the Facilities at one or more of the Building(s) and cancelling the relevant Building Schedule(s) from the Agreement on serving on the BBC a valid Termination Notice which gives not less than six months' notice to expire at any time of its intention to cease using the Facilities at the relevant Building(s).
- 16.5 Tx Co may vary the Agreement at any time during the subsistence of the Agreement in accordance with the provisions of General Conditions 16.4 and 16.7, whereupon the Agreement shall continue in full operation and effect as amended/extended.

BY THE BBC:-

- 16.6 Subject to any Special Conditions the BBC may terminate the Agreement, or (where the Agreement incorporates more than one Building Schedule terminate or modify the Facilities at one or more of the Building(s):-
 - (i) on serving on Tx Co a valid Termination Notice giving not less than six months' prior written notice where the BBC's ability to continue the Agreement or the provision of the Facilities in respect of the relevant Building is prevented by an event beyond the reasonable control of the BBC (which shall include circumstances where the BBC is unable to renew its rights to occupy any land or buildings comprised in the relevant Building(s) and/or where renewal is only available on unreasonable terms); or
 - (ii) on serving on Tx Co a valid Termination Notice giving not less than twelve months' prior notice where the BBC requires all or any part of the Facilities for the purposes of its undertaking;
 - (iii) forthwith, (and without prejudice to any right of action or remedy of the BBC in respect of antecedent breach by Tx Co of any of the obligations imposed on Tx Co under the Agreement), where:
 - (a) any planning or other consent or licence for Tx Co's Equipment is revoked; or
 - (b) if Tx Co permits any distress to be levied on Tx Co's Equipment; or
 - (c) in the case of any payment to be made to the BBC by Tx Co under the Agreement, such payment remains in arrears and unpaid following the Due Date and where the BBC has given written notice to Tx Co that Tx Co's Equipment will be switched off and the Facilities terminated unless the BBC receives the outstanding payment together with interest within 30 days of the date of such written notice and that period of 30 days has expired without payment having been made;

then, and in each such case, the BBC may switch off Tx Co's Equipment and determine the facilities at the relevant Building(s) without incurring any liability to Tx Co for the results of such act and Tx Co will indemnify the BBC against any loss or claim it may incur as a result of such action or liability.

GENERALLY:-

- 16.7 Any variation to the Agreement (including any additional Tx Co's Equipment, variation in the Charges, or the addition or removal of any one or more of the Building(s)), shall be recorded by the issue of:
- (i) In the case of the addition of a Building; by a Supplemental Building Schedule signed and dated by the parties and annexed to the Agreement;
 - (ii) in the case of the variation of any of the terms in an existing Building Schedule; by a replacement Building Schedule signed and dated by the parties and annexed to the Agreement together with an endorsement on the existing Building Schedule cancelling it with effect from the date of the replacement Building Schedule;
 - (iii) in the case of the removal of a Building; by service of a valid Termination Notice in accordance with the provisions of General Conditions 16.4 or 16.6 together with an endorsement on the existing Building Schedule cancelling it with effect from the date of the expiry of the Termination Notice.
- 16.8 Following termination of the Agreement by either party or following the cancellation of a Building Schedule pursuant to any of the provisions of General Condition 16, the Charges in respect of the relevant Building(s) shall cease to be payable with effect from the effective termination date, but without prejudice to the rights of either party to pursue any action or remedy in respect of any antecedent breach by the other of any of its obligations under the Agreement (subject to the provisions of General Condition 15); and without prejudice to the rights of the BBC to recover any Charges or other sums payable under the Agreement properly due and outstanding prior to the date of such termination.
- 16.9 Unless relieved from its obligation by any Special Conditions, Tx Co shall within 30 days following the expiration of any valid Termination Notice procure the removal by a Permitted Contractor(s) of all Tx Co's Equipment from the relevant Building(s) to which such notice relates, and make good any damage caused by such removal to the BBC's reasonable satisfaction or in default of making good as aforesaid shall pay to the BBC on demand the costs properly incurred by the BBC in so removing and/or reinstating.
- 17 FURTHER OBLIGATIONS OF THE BBC
- THE BBC WILL:
- 17.1 subject to obtaining all necessary planning and other consents, provide the Facilities;
 - 17.2 maintain in reasonable repair and condition the exterior and structure of any Equipment Housing (for the avoidance of doubt this will not include any Tx Co's Equipment comprising moveable equipment cubicles) during the Term;
 - 17.3 use all reasonable endeavours, to prevent any equipment located at the Building(s) and under the BBC's control from causing any interference to Tx Co's Equipment;
 - 17.4 provide invoices in respect of the costs and expenses of any supervision or other works performed by the BBC pursuant to the provisions of General Conditions 2.2.1, 3, 6.1, 6.3, 7, 9.11, 9.13(iii) and 16.9 (where applicable) such costs and expenses to be calculated at a reasonable

daily rate for any day or part of a day's attendance at the relevant Building(s); such daily rates to be made available to Tx Co by the BBC on request;

provided (and for the avoidance of doubt) the BBC will not be in breach of any of its obligations in this General Condition 17 or elsewhere in the Agreement where it is prevented from so doing in consequence of an event of Force Majeure.

18 NOTICES

18.1 Notices (including Termination Notices) invoices or other documents required or permitted to be given under the Agreement shall be in writing and shall be sent to the following addressed:-

for Tx Co:

Chief Executive Officer
Castle Transmission International Ltd
Warwick Technology Park
Gallows Hill
Heathcote Lane
Warwick
CV34 6TN

Fax No: 01926 416006

for the BBC:

Director of Policy and Planning
The British Broadcasting Corporation
Broadcasting House
Portland Place
London W1A 1AA
Fax No. 0171 436 0393

18.2 Any notice, invoice or other document which may be given by either party under the Agreement will be deemed to have been duly given if left or sent by post (whether by letter or, where the parties agree in writing, in any other form) or facsimile transmission to the address set out above or to any other address notified to each other in writing in accordance with this General Condition as an address to which notices, invoices and other documents may be sent. Any such communication will be deemed to have been made to the other party:-

(a) if sent by hand, when delivered;

(b) if sent by post; 72 hours after the envelope containing such notice was posted; or

(c) if sent by facsimile, when the transmission of the facsimile is confirmed delivered complete (if delivered on a business day) or if not at 9:30 a.m. (British Standard Time) on the next business day.

For the purposes of this General Condition, "business day" means 9:30 a.m. to 5:00 p.m. Monday to Friday every week of the year except for English public holidays. It is further agreed that notices sent by facsimile will also be confirmed by sending a signed copy by post, the copy to be posted within 24 hours of sending the facsimile.

19 DISPUTES

- 19.1 Any complaints, disputes or problems (each an "ISSUE") relating to this Agreement will be escalated as set out in this Clause 19.
- 19.2 Any Issue will be referred in the first instance to the BBC Representative and either the Project Manager or the Service Manager as appropriate. The BBC and Tx Co will procure that their respective representatives discuss in good faith any Issue with a view to resolving it. If an Issue is not resolved to the satisfaction of either party within 30 days of both parties having first become aware of it, then either party may refer it to the Service Management Board.
- 19.3 If an Issue is referred to the Service Management Board, then each party must procure that their representatives on the Board discuss the Issue in good faith at the next meeting of the Service Management Board with a view to resolving it. Either party may convene a meeting of the Service Management Board to be held within 14 days of an Issue being referred to it. If the Issue is not resolved to the satisfaction of both parties within 7 days of the meeting of the Service Management Board, then either party may require that the Issue is dealt with under Clause 19.4.
- 19.4 Where an Issue is to be dealt with under this Clause 19.4, the parties will ensure that, for the BBC, the Director of Policy and Planning, and for CTI, the Chief Operating Officer, will meet together with a view to resolving the Issue. The parties will allow 30 days from the date of escalation of the matter for such consultation or discussions to take place before referring the Issue to adjudication or initiating any arbitration or other legal proceedings.
- 19.5 If an Issue is not resolved pursuant to Clause 19.4 and it relates solely to matters of an engineering or technical nature, either party may refer it for adjudication to the President for the time being of the Institution of Electrical Engineers, or his nominee. The President or his nominee shall act as an expert, not an arbitrator. The party referring any Issue for adjudication must deliver to the expert and the other party a notice setting out the matters in dispute and any relevant supporting evidence. The other party shall be entitled to reply to the notice and such evidence, delivering such reply to the expert and the party referring the Issue. Otherwise, the expert shall be entitled to decide on the procedure he or she wishes to adopt. Any determination of the expert must be in writing and shall be final and binding on both parties, failing any manifest error on the face of the decision. Unless the expert determines otherwise, both parties will bear their own costs of the determination and half the costs of the expert.
- 19.6 If an Issue is not resolved pursuant to Clause 19.4 and it does not relate solely to matters of an engineering or technical nature, either party may refer it to mediation in accordance with the Centre for Dispute Resolution procedures then in force. If after 30 days either party believes that mediation has not resolved the Issue, then either party may proceed to litigation. Unless agreed otherwise, each party will bear its own costs of the mediation and half the costs of any third party involved.
- 19.7 Except where clearly prevented by the nature of the Issue, the parties must continue performing their respective obligations under this Agreement while any Issue is escalated in accordance with this Clause 19.

20 NON-WAIVER

- 20.1 The failure of either the BBC or Tx Co to enforce the terms of the Agreement will not constitute a waiver and shall not affect the right to enforce any terms later.
- 20.2 The provisions of the Agreement are severable and if for any reason any provision should be or become void, unenforceable or invalid, the rest of the Agreement will remain in full force and

effect and the parties will seek to agree additional or amended provisions to replace the void, unenforceable and invalid provision.

21 CONFIDENTIALITY

21.1 The BBC and Tx Co undertake that while the Agreement is in force they and their employees and contractors (including any Permitted Contractor(s)) shall keep confidential and not disclose to any third party the contents of the Agreement or any information which they have received from each other or which they have made available verbally or in writing in relation to their respective businesses or operations without the written consent of the other of the foregoing, such confidentiality shall include any technical, operational or financial information relating to the broadcasting business of the BBC or pertaining to any contractual relationship between the BBC and Tx Co and/or any third party.

21.2 The obligations set out in General Condition 21.1 shall not apply to information which is or has become public knowledge (unless as a consequence of a breach of General Condition 21.1) and shall also not apply to information either party is required to disclose by order of a court or order of a competent authority nor to information disclosed in order to maintain any listing on the stock exchange or disclosed pursuant to obligations in Tx Co Statutory Licenses.

22 GOVERNING LAW

22.1 The Agreement in so far as it relates to Building(s) in Scotland shall be governed and construed in accordance with the law of Scotland and the jurisdiction of the Scottish courts shall apply.

22.2 The Agreement in so far as it relates to Building(s) in England and Wales (and the Agreement as a whole where it includes one or more Building(s) in England and Wales) shall be governed and construed in accordance with English law and the jurisdiction of the English courts shall apply.

22.3 The Agreement in so far as it relates to Building(s) in Northern Ireland shall be governed and construed in accordance with the law of Northern Ireland and the jurisdiction of the Northern Irish courts shall apply.

BUILDING SCHEDULE

<p>1 "TX CO" Castle Transmission International Limited whose registered office is at Warwick Technology Park, Gallows Hill, Heathcote Lane, Warwick CV34 6TN</p>	<p>Contact and address for Notices: Tx Co Representative (referred to as the Tx Co Representative in the DTT Services Agreement) see General Condition 18</p>
<p>2 "BUILDING"</p>	<p>3 "COMMENCEMENT DATE"</p>
	<p>4 "TERM" see Special Condition 11.7 below (minimum period is the term of the DTT Services Agreement)</p>
<p>5 "CHARGES"</p> <p>(a) Licence Fee Charges</p> <p>(b) additional Charges (if any) e.g.</p> <p>(c) (i) common payment date(s) for the Charges: (ii) common Charges review dates:</p>	<p>(i) amount: (Pounds)1 + VAT per annum from: The Commencement Date</p> <p>(ii) payable: in accordance with the provisions of the DTT Services Agreement</p> <p>(iii) reviewable: see Special Condition 11.5 below</p> <p>(i) electricity: a reasonable sum according to use (ii) capital cost: none (iii) other: none</p> <p>in accordance with the provisions of Clause 11.1 and 11.2 of the DTT Services Agreement</p> <p>N/A</p>
<p>6 "PERMITTED USE":</p>	<p>Services under the D17 Services Agreement (including location of equipment provided by BT as the distribution network service provider)</p>
<p>7 "ACCESS" Special Access provisions (if any)</p>	<p>None</p>
<p>8 "THE BBC REPRESENTATIVE"</p>	<p>the BBC Representative named in the DTT Services Agreement</p>
<p>9 "EQUIPMENT HOUSING" (IF ANY) PROVIDED BY THE BBC:</p>	
<p>10 "TX CO'S EQUIPMENT"</p>	

11 "SPECIAL CONDITIONS" (IF ANY)

- 11.1 Subject to the provisions of Special Condition 11.2, the BBC may relocate any Tx Co's Equipment at any time to a different location on the Building (or to a replacement Building) by serving on Tx Co a Termination Notice giving not less than three months' prior notice. The modified Facilities will be recorded by the issue of a replacement Building Schedule pursuant to General Condition 16.7(ii).
- 11.2 Relocation of Tx Co's Equipment by the BBC pursuant to Special Condition 11.1 will be in the BBC's discretion and subject to:-
- (a) prior consultation with Tx Co in accordance with the terms of the DTT Services Agreement;
 - (b) no resulting increase in the Charges in consequence;
 - (c) no resulting diminution of the Facilities available to Tx Co in consequence;
 - (d) any necessary relocation works being performed by the BBC, or its contractor and at the BBC's expense.
- 11.3 Either party may terminate the Agreement, (or where the Agreement incorporates more than one Building Schedule terminate the Facilities at a Building) where the facilities are no longer required for the purposes of the DTT Services, by serving on the other a Termination Notice giving not less than three months' prior notice.
- 11.4 For the purposes of General Condition 16.6(ii) the period of notice therein shall be reduced from 12 to 3 months.
- 11.5 For the purposes of General Condition 4.2 reviews shall NOT take place during the Term.
- 11.6 The Permitted Use of Tx Co's Equipment described in Clause 6 shall be limited to use for the performances of the DTT Services Agreement and not the provision of any other third party service without the express prior written consent of the BBC (which without the express prior written consent of the BBC (which consent may, in the BBC's absolute discretion, be granted subject to the negotiation of any necessary modifications to the Agreement (including modifications to the financial terms)).
- 11.7 The Agreement will continue in force in relation to the Permitted Use and in respect of Tx Co's Equipment described in Clause 6 above, subject to General Condition 16, and any of these Special Conditions, until either party gives to the other not less than 12 months' prior written notice of termination. The Agreement will co-terminate with the DTT Services Agreement.

Signed for the BBC:

Signed for Tx Co:

Date of Issue:

the Agreement Date

Date of termination:

by Termination Notice/or where superseded
by a Supplemental Building Schedule

(Note where there is more than one Building or separate Charges or length of Term required for different places of Tx Co's equipment on the same Building, then separate Building Schedule sheets should be completed for each Building.)

TERMINATION NOTICE

THIS TERMINATION NOTICE IS VALIDLY GIVEN WHERE IT IS SERVED PURSUANT TO THE TERMS OF THE AGREEMENT AND SUBJECT TO THE PROVISIONS CONCERNING TERMINATION CONTAINED IN THE GENERAL CONDITIONS. SERVICE OF THIS NOTICE DOES NOT AFFECT THE CONTINUATION OF THE AGREEMENT INSOFAR AS IT RELATES TO ANY OTHER BUILDING(S) NOT THE SUBJECT OF THIS NOTICE.

1 Tx Co NAME:
ADDRESS:

2 The Agreement DATE:

Notice is served pursuant to the (i) GENERAL CONDITION(S):
General Condition(s) named in this
Notice and the period of Notice is in (ii) PERIOD OF NOTICE:
accordance with those General
Conditions

4 This notice relates to either:-

- (i) the Building(s) named in this Notice; (i) BUILDING NAME;
- or
- (ii) the Agreement (in its entirety) (ii) THE AGREEMENT (DELETE IF NOT APPLICABLE)

SERVED BY: _____ (AUTHORIZED SIGNATORY

PRINT NAME OF SIGNATORY: _____

DATE OF DESPATCH: _____

SCHEDULE 11

SECURITY, FIRE PREVENTION AND DISASTER RECOVERY SERVICES

1 PREVENTATIVE MEASURES

1.1 SECURITY

1.1.1 CTI shall provide protection to all equipment and facilities used in the provision of the DTT transmission service, including deterrent and detection systems to prevent unauthorized entry to Stations and IT systems used in delivery of the DTT transmission service. A basic level of security protection (to be agreed by the BBC) is to be provided at all Stations. Additional measures (for example extra security fencing, cameras, external alarms and secure cell (limited access within building) facilities) are also to be provided at certain stations. These stations and the details of these additional measures are to be agreed between the BBC and CTI.

1.2 FIRE PREVENTION

1.2.1 The BBC's DTT building at each Station will be equipped with a fire detection alarm system. Each cell within the building which will either contain one Multiplex Service or Landlord's Equipment will be given its own 'Detection Zone' and this will be signalled back to TOC via an Automatic Fault Reporter. Each cell within the building will be built to a standard that will give a one hour fire withstand between it and the neighbouring cells. Appropriate portable fire extinguishers will be located throughout the installation.

2 DISASTER RECOVERY PLAN

2.1 Within six months of contract signature CTI will develop at its cost a Disaster Recovery Plan for the DTT Transmission Services to be reviewed and agreed with the BBC. This will include development of a "Disasters and Emergencies Procedures Manual" together with an appropriate disaster recovery test plan. A formal disaster recovery test will be carried out and the Disasters and Emergencies Procedures Manual will be updated by CTI on an annual basis. The timetable of the disaster recovery tests is to be agreed between the BBC and CTI.

2.2 The Disaster Recovery Plan will cover security, fire, mast collapse, system management (TOC) failure and the provision of replacement broadcast and distribution equipment.

2.3 CTI will ensure that all services covered in this Schedule II will be provided for all Stations including those operated by NTL.

3 DISASTER RECOVERY FACILITIES

3.1 DTT EMERGENCY EQUIPMENT

3.1.1 CIT shall provide two new containerised DTT transmission systems, one commensurate with the high power transmitters, one commensurate with low or medium power transmitters, for each Multiplex that CTI operate.

3.1.2 In the event of fire destroying a mains supply and the transmitter site's backup generator simultaneously, a containerised generator will be made available by CTI within 24 hours except at Eitshal, Bressay, Keelylang Hill and Torosay, where reasonable endeavours will apply.

3.2 LOSS OF COMPLETE TRANSMITTING STATION (EXCLUDING ANTENNA SYSTEM)

3.2.1 CTI shall ensure that an emergency container transmitter will be delivered to any Station on the mainland of the UK and Northern Ireland within 24 hours. CTI shall ensure that full service will be resumed within 48 hours of delivery.

3.3 MAJOR DAMAGE TO MAST AND/OR ANTENNA SYSTEM

3.3.1 CTI shall ensure that the following items, or similar functional equivalents, are held as emergency cover in the event of major damage to masts and/or antenna systems:

- . 210m Reserve Mast
- . 80m Reserve Tower
- . 16 Lambda Main UHF Antenna
- . 4 Lambda UHF Antenna
- . 5 inch Feeder
- . 3 inch Feeder
- . UHF Combiner
- . Handbooks

3.3.2 A separate digital reserve antenna system will also be provided by CM consisting of.

- . 2 Broadband 8 Lambda 4 panel UHF Antennas
- . 2 inch feeder
- . a modular combiner

3.3.3 The BBC recognise that service recovery times will depend upon the severity of damage, and that the erection time for the 210m mast is between four and five weeks.

3.4 TECHNICAL OPERATIONS CENTRE (TOC)

3.4.1 CTI shall provide a back-up technical operations centre, remotely located from the TOC. Both centres shall have fully duplicated computer systems. Data communications from Stations to these computer systems shall have reserve (ISDN) facilities which are selected automatically in the case of failure of the primary communications link.

3.4.2 In the event that the TOC needs to be abandoned, staff shall transfer to the back-up centre and the operation be resumed within one hour with no loss of monitoring data.

4 DISASTER RECOVERY PROCEDURES

4.1 GENERAL

4.1.1 In the event of a serious incident CTI shall follow the procedures laid down in the Disaster Recovery Plan to be developed and agreed in accordance with Section 1 of this Schedule 11. Key requirements of this plan are summarised below.

4.2 NOTIFICATION

4.2.1 In the event that a potentially catastrophic incident is detected, which will impair or interrupt service from one or more Stations for an extended period, CTI shall immediately notify the following BBC contacts in the sequence described:

- . Presentation Engineering Co-ordinator (24 hours a day)
- . BBC Representative (24 hours a day)
- . Engineering Information Department (Office Hours only)

4.2.2 CTI and the BBC Representative will jointly assess the implications of the incident and will follow the agreed Disaster Recovery Plan.

4.3 SERVICE PRIORITY

4.3.1 In the event of failure of more than one service at a Station, the order of priority for service restoration will be in accordance with the Disaster Recovery Plan.

4.3.2 A summary of the proposed restoration sequence to be contained in the Disaster Recovery Plan, subject to agreement with the D-Mux group is set out in the table below:

SERVICE AFFECTED	DATE	RESTORATION SEQUENCE
DTT Only	Any time	Multiplexes in descending order of population served
Analogue and DTT	Early years	Analogue in accordance with Analogue Contract
		DTT multiplexes in descending order of population served
	Later years*	DTT multiplexes in descending order of population served
		Analogue in accordance with Analogue Contract

* The changeover date will be selected by the BBC, and will be influenced by DTT take-up.

SCHEDULE 12

TECHNICAL ARCHITECTURE

[*]

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

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12.8 ON-LINE STATUS INFORMATION TO BBC

[*]

12.8.2 The proposed system is shown below:-

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[Diagram illustrating the system by which CTI will provide the BBC with online status information]

- 2.8.3 A dedicated database will be provided to hold a subset of the alarms and current status of all the DTT Stations. This database will be kept to within one minute of the status that is known at the TOC system.
- 12.8.4 A Windows application will be supplied to access the database and provide a graphical overview of the entire network, as well as showing more detail on individual Stations when required. It will be possible to do ad-hoc reports on this database.
- 12.8.5 CTI will provide suitable systems to protect the networks of both CTI and the BBC. This will include firewalls on the telecommunications links and virus checking on the BBC Network Status system computer.
- 12.8.6 The BBC will use reasonable endeavours to ensure that the systems located on its premises are physically secure, and to protect them against local attack or unauthorised use.
- 12.8.7 The data circuit, PC (for use at the BBC centre), database and Windows application will form part of the Transmission Service and will be the responsibility of CTI. The monitoring of this circuit and PC will be incorporated into CTI's existing Network Management system.
- 12.8.8 Further details of the functionality of the on-line system are provided in Schedule 8.

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SCHEDULE 13

References

[Table listing references]

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DATED 18 December 1997

(1) BRITISH DIGITAL BROADCASTING PLC

and

(2) CASTLE TRANSMISSION INTERNATIONAL LTD

AGREEMENT
FOR THE PROVISION OF
DIGITAL TERRESTRIAL TELEVISION DISTRIBUTION
AND TRANSMISSION SERVICES

CLIFFORD CHANCE

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THIS AGREEMENT is made on 18 December 1997 between:

- (1) BRITISH DIGITAL BROADCASTING PLC (No. 3302715) (a company incorporated under the laws of England and Wales) whose registered office is at 25 Knightsbridge, London, SW1X 7RZ ("BDB"); and
- (2) CASTLE TRANSMISSION INTERNATIONAL LTD (No. 3196207) (a company incorporated under the laws of England and Wales) whose registered office is at Warwick Technology Park, Gallows Hills, Heathcote Lane, Warwick CV34 6TN ("CTI").

WHEREAS:

- (A) BDB intends to provide multiplex services over the frequencies allocated to BDB by the ITC in relation to digital terrestrial television services, ancillary services and additional services; and
- (B) This Agreement sets out the terms and conditions on which CTI has agreed to provide, amongst other things, distribution and transmission services to BDB in relation to the BDB Multiplexes and to procure, construct, operate, maintain and provide the necessary network for the provision of those services.

IT IS HEREBY AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 In this Agreement:

"ACCOUNTABLE AVAILABILITY" has the meaning set out in Schedule 7;

"ACCEPTANCE TEST SPECIFICATIONS" means the tests to be performed by CTI (as described in Clause 5) in order to determine whether the Network and any particular Station are ready for Operational Service as set out in Part I of Schedule 5;

"ACTUAL SITE SERVICE DATE" means, in respect of each Station, the date on which the Station is brought into Operational Service;

"ADDITIONAL STATIONS" means any Stations not listed in Schedule 8 which the parties agree to incorporate into this Agreement in respect of which CTI shall provide Services;

"ADVANCE PAYMENT" shall have the meaning ascribed to it in the Pre-Contract Funding Agreement;

"ADVANCE WORKS" shall have the meaning ascribed to it in the Pre-Contract Funding Agreement;

"AGREED IMPACT SCHEDULE" means the document summarizing the modifications to be performed by CTI to existing analogue transmission systems (including, but not limited to, certain of those changes identified in the ITC Code of Practice on Changes to Existing Transmission and Reception Arrangements) in Schedule 9;

"AGREED PROPORTION" means [*];

"AMENDED SITE SERVICE DATE" means, in respect of each Station, the amended date on which the Station is to be brought into Operational Service where the Initial Site Service Date has been amended pursuant to the terms of this Agreement;

"AVAILABILITY" means the period of time during which the DTT Transmission Services and Distribution Services are to be available in respect of a particular BDB Multiplex from a particular transmitter in accordance with the terms and to the standards required under this Agreement (including, without limitation, the Technical Specification);

"1990 ACT" means the Broadcasting Act 1990 (as amended by the 1996 Act);

"1996 ACT" means the Broadcasting Act 1996;

"BDB INTERFACE" means an interface point from the output of the equipment providing transport streams for each of the BDB Multiplexes at BDB's multiplex centre to the Distribution Network as more particularly described in Schedule 6;

"BDB MULTIPLEXES" means the multiplex services known as Multiplexes B, C and D for digital terrestrial television, provision of which by BDB is licensed by the ITC under the Multiplex Licences;

"BDB REPRESENTATIVE" means the person notified from time to time by BDB to CTI for the purposes of Clauses 14 and 15, and Schedule 2;

"BDB SIGNALS" means the digital transport stream originated by BDB from the BDB Interface as described in Schedule 6 carrying, amongst other things, the digital programme services, ancillary services and digital additional services broadcast as part of the services licensed under the Multiplex Licences from time to time (for the purpose of this definition, the terms digital programme service, ancillary service and digital additional service shall have the meanings ascribed to them in Part I of the 1996 Act);

"BUSINESS DAY" means a day on which banks are generally open for business in the City of London, Saturdays and Sundays excluded;

"CHANGE CONTROL PROCEDURE" means the procedure set out in Schedule 1;

"CHARGES" means charges payable by BDB for the Services calculated in accordance with Schedule 2;

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"COMMENCEMENT DATE" shall, in respect of each of the Multiplexes, have the meaning ascribed to it in the relevant Multiplex Licence;

"CONTINGENCY AMOUNT" means the contingency amount included in the Charges as set out in Part IV of Schedule 2;

"CONTRACTED AVAILABILITY" means in relation to each BDB Multiplex the end to end Accountable Availability, from the BDB Interface to the output of each Station, which CTI is contracted to provide in relation to the Services pursuant to Clause 2 and Schedule 7;

"DELAY REBATE" means the rebate on the Charges to be given by CTI to BDB in respect of any failure by CTI to meet the relevant Ready for Service Date in respect of any Station, being described in and calculated in accordance with Schedule 7;

"DESIGN AND OPTIMISATION CONSULTING SERVICES" means technical advice and consultation, prior to the Start of Service Date for the Phase I Stations, provided in order to optimise the coverage and capability of the Transmission Network, including SI Interface design and the enhancement of antenna patterns;

"DISASTER RECOVERY SYSTEMS" means the disaster recovery systems and procedures to be established by CTI pursuant to Clause 14 as more particularly described in Part II of Schedule 11;

"DISTRIBUTION NETWORK" means the network to be used by CTI to distribute the BDB Signals from the BDB Interface to the Stations, details of which are set out in Part I of Schedule 3;

"DISTRIBUTION SERVICES" means the distribution by CTI of the BDB Signals from the BDB Interface to the Stations via the Distribution Network pursuant to this Agreement;

"DTT TRANSMISSION SERVICES" means the transmission services to be provided by CTI to BDB in accordance with the Technical Specification at each Station pursuant to this Agreement;

"EMERGENCY POWERS" means a power exercisable by a Minister of the Crown pursuant to any legislation enacted or made to deal with a public emergency, including the Emergency Powers Act 1920 and any regulation made under it;

"EMERGENCY RESERVE EQUIPMENT" means the equipment more particularly described in Part I of Schedule 11;

"EQUIPMENT" means the equipment used by CTI in the provision of the Services;

"ERP" means the effective radiated power to be transmitted for a BDB Multiplex at each Station as set out in Schedule 8;

"EXCLUSIVE EQUIPMENT" means the transmitters, transmitter input equipment and TVROs at Stations used solely for the provision of the Services;

"FAULT REPORT" means a report relating to any Transmission Fault given by CTI to BDB pursuant to Clause 14.3;

"FIBRE DISTRIBUTION NETWORK" means the fibre distribution network details of which are set out in Schedule 3;

"FORCE MAJEURE EVENT" means any events or circumstances beyond the control of either party (which shall include but not be limited to Act of God, war, civil disturbance, statutory prohibition, Government intervention, order or act of Government or local/public authority, act or omission of any relevant licensing or other regulatory authority not caused by the party, act or threat of terrorism, fire, lightning, flood, other extreme weather conditions which cause physical damage to property used to supply the Services or prevent access to or safe working on any such property, explosion, theft or vandalism (subject in either case to compliance by CTI with Clause 8), lawful national strike action or lawful industrial action taken by members of a union (other than industrial action taken by the party's own employees or employees of its sub-contractors)) but excluding the consequences of any act or omission of any of the party's sub-contractors unless that act or omission is itself the result of a Force Majeure Event;

"GROUP" means in relation to any company, that company and any company which is a holding company or subsidiary of that company and any subsidiary of any such holding company; and for the purposes of this Agreement "subsidiary" and "holding company" have the meanings ascribed thereto by Sections 736 and 736A Companies Act 1985;

"HANDOVER REQUIREMENTS" means the requirements in relation to the BDB Signals set out in Schedule 6;

"INITIAL SITE SERVICE DATE" means, in respect of each Station, the initial date on which CTI agrees to bring the Station into Operational Service as set out in Clause 4.2 or in respect of Additional Stations, such date as maybe agreed between the parties;

"ITC" means the Independent Television Commission established by the 1990 Act and any successor body to the functions of the ITC in relation to the BDB Multiplexes;

"MULTIPLEX CENTRE" means the location of the BDB Interface;

"MULTIPLEX LICENCES" means the licences to provide multiplex services granted to BDB by the ITC under Part I of the 1996 Act for the provision of multiplex services as defined in Section 1(1) of the 1996 Act and any licences replacing the same. The current draft of the Multiplex Licence (minus condition 10 and Part I of the annex to

the draft Multiple Licence and all documents and correspondence referred to in that annex) as at the date of this Agreement is set out in Annex 2;

"NETWORK" means the network of facilities and equipment used to provide the Services to BDB (including, without limitation, the Distribution Network and the Transmission Network) which is owned or procured by CTI and the configuration of which is more particularly described in Schedule 3;

"NETWORK STATUS SYSTEM" means the system to be installed by CTI pursuant to Clause 14.1 as more particularly described in Part III A of Schedule 3;

"NON-ACCOUNTABLE CONDITION" shall have the meaning ascribed to it in Schedule 7;

"NTL" means National Transcommunications Limited (company number 2487597) a company registered in England and Wales, or any successor to the ownership of the digital terrestrial television transmission network operated by NTL;

"OPERATIONAL SERVICE" means, in respect of the Network and, without limitation, each Station the ability of CTI to provide the Services and of the Network (including, but not limited to, each Station) to perform in accordance with this Agreement (including, but not limited to, the Technical Specification);

"PHASE I, PHASE II AND PHASE III STATIONS" means the stations specified as such in Part IV of the annex to the Multiplex Licences;

"PRE-CONTRACT FUNDING AGREEMENT" means the pre-contract funding agreement between the parties of even date herewith;

"RADIOCOMMUNICATIONS AGENCY" means the executive agency forming part of the Department of Trade and Industry responsible for issuing and administering licences under the WTA and any successor body responsible for those functions;

"RADIO-REGULATIONS" means the Radio Regulations of the International Telecommunications Union or any replacement for such regulations and includes all related regional agreements;

"READY FOR SERVICE DATE" means, in respect of each Station, the date on which CTI agrees to bring the Station into Operational Service being either the Initial Site Service Date or the Amended Site Service Date determined in accordance with the provisions of Clause 4;

"RECEPTION SURVEY" means the survey of the coverage achieved from each Station to be conducted by CTI pursuant to Clause 14.10 as more particularly set out in Part IV of Schedule 4;

"RESPONSE TIMES" shall have the meaning set out in Clause 14.4 and Schedule 8;

"RPI" means the general index of retail prices (all items) as published in the monthly Digest of Statistics by the UK Central Statistical Office, as amended from time to time, or, if that index is no longer published, any equivalent replacement of the same agreed by the parties or, where they fail to agree, selected by an independent expert appointed by the President of the Institute of Chartered Accountants in England and Wales;

"SATELLITE DISTRIBUTION NETWORK" means the satellite distribution network details of which are set out in Annex 1;

"SERVICES" means the Distribution Services, the DTT Transmission Services, the SI Collation Services, the Design and Optimisation Consulting Services and such other services as are to be provided by CTI to BDB pursuant to this Agreement;

"SERVICE CREDITS" means credits against Charges in respect of CTI failing to meet the Contracted Availability calculated in accordance with Schedule 7;

"SERVICE MANAGEMENT BOARD" means the committee to be established by the parties pursuant to Clause 13.2;

"SHARED EQUIPMENT" means Equipment forming part of the Network which is not exclusively dedicated to the provision of the Services to BDB;

"SI" means service information as defined in the European Telecommunication Standard pr ETS 300 468;

"SI COLLATION SERVICES" means collation of SI from all other multiplexes used for digital terrestrial television transmission, to the extent there is any, into each of the BDB Multiplexes as more fully described in Part I.A. of Schedule 3;

"SITE" means the site at which any Station is located;

"SITE OWNER" means in respect of any Site any party with a freehold or leasehold interest in or a licence to occupy that Site;

"START OF SERVICE DATE" means the date identified in the Multiplex Licences for each Station as the date upon which broadcasts of the Licensed Service must commence from that Station;

"STATIONS" means the transmitting stations at the sites listed in Schedule 8, as amended from time to time pursuant to this Agreement, and any Additional Stations;

"TA LICENCES" means any licences required by CTI under the Telecoms Act to provide the Services;

"TARGET SITE SERVICE DATE" means the target date for bringing each Station into Operational Service as set out in Schedule 8, Table 1;

"TECHNICAL SPECIFICATION" means the provisions of this Agreement relating to the technical performance of the Network and the Services, as set out in Schedule 5;

"TELECOMS ACT" means, in relation to the UK, the Telecommunications Act 1984, or such equivalent statutes as are from time to time in force in the Channel Islands or the Isle of Man as the case may be;

"TEMPLATES" means in relation to each Station, the transmitter horizontal radiation pattern templates for that Station (as the same are defined in the station design proposals (known as the Digital Television Planning Group Notes) issued or to be issued by the ITC);

"TERM" means the period commencing on the date hereof and ending on the date which is 12 years from the Commencement Date of the list of the Multiplex Licences;

"TEST TRANSMISSIONS" means the test transmissions to be made from each Station pursuant to Clause 5.6, as more particularly detailed in Part IV of Schedule 4;

"THIRD PARTY SITE" means any Site in respect of which a third party (including, without limitation, NTL) is the Site Owner;

"TOC" means CTI's technical operations centre currently located at Warwick;

"TRANSMISSION FAULTS" means any break, interruption, discontinuance, degradation or other impairment of the transmission of the BDB Signals resulting in performance outside the Transmission Fault Thresholds specified in the Technical Specification,

"TRANSMISSION FAULT THRESHOLDS" means the transmission fault thresholds set out in Part II of Schedule 5:

"TRANSMISSION HOURS" means 24 hours a day or such other times, in respect of each of the BDB Multiplexes, during which BDB wishes to transmit BDB Signals from that BDB Multiplex;

"TRANSMISSION NETWORK" means the network to be used by CTI to provide the DTT Transmission Services, details of which are set out in Part II of Schedule 3:

"TRANSMISSION TESTING" means the carrying out of tests to determine whether the Network or any particular Station satisfy the Acceptance Test Specifications pursuant to Clause 5.1 as more particularly described in Schedule 5;

"VAT" means value added tax as currently charged under the Value Added Tax Act 1994 and any successor or replacement thereof and any similar tax chargeable under the laws of the United Kingdom;

"WTA" means the Wireless Telegraphy Acts 1948-1967, or such equivalent statutes as are from time to time in force in any of the United Kingdom, the Channel Islands or the Isle of Man;

"WTA LICENCES" means any licences required by CTI to perform the Services pursuant to the WTA;

"YEAR" means the period from the date of execution of this Agreement to the 31 December 1997 (which constitutes the first Year), and each subsequent complete period of twelve months from 1 January to 31 December save for the last Year which shall start from 1 January to the last day of the Term inclusive;

- 1.2 "The expressions "BDB" AND "CTI" include their respective permitted subcontractors, assigns, employees and agents.
- 1.3 Any references to any Act of Parliament will be deemed to include any replacement or re-enactment for the time being in force and to include any by-laws, statutory instruments, licences, rules, regulations, orders, notices, directions, consents or permissions made under such Act and any condition attaching thereto and any reference to any governmental or regulatory body shall include a reference to its successors.
- 1.4 The headings in this Agreement are for ease of reference only and will not be taken into account in the construction or interpretation of any provision to which they refer.
- 1.5 Any reference to a clause, schedule or annex, unless the context otherwise requires, is a reference to a clause of or schedule or annex to this Agreement.

2. THE SERVICES

- 2.1 This Agreement is conditional on the satisfaction of the condition precedent that all three Multiplex Licences shall have been granted to BDB in substantially the form set out in Annex 2. This Agreement shall come into full force and effect on the date on which the condition in this Clause 2.1 shall have been satisfied. In the event that the condition precedent set out in this Clause 2.1 shall not have been satisfied by 31 March 1998 or such later date as the parties may agree, then this Agreement shall be void and of no effect.
- 2.2 CTI shall provide or procure the provision of the Distribution Services using the Distribution Network on and subject to the terms of this Agreement.
- 2.3 From such date as BDB may reasonably request (no later than the Start of Service Date of the first Station to be rolled out) to the extent practicable, and throughout the remainder of the Term, CTI shall provide the SI Collation Services on the terms of this Agreement.
- 2.4 CTI shall, in relation to each Station, provide the DTT Transmission Service to BDB from the Ready for Service Date and throughout the remainder of the Term using the Network on the terms of this Agreement.

2.5 CTI shall provide the Services in compliance with and will ensure that the Network (including, but not limited to, the Distribution Network, the Transmission Network and any Equipment or Stations comprised in the Network) complies with:

2.5.1 the provisions of this Agreement;

2.5.2 the Technical Specification;

2.5.3 the ITC Technical Performance Code and Condition 6(4) of the Multiplex Licences all as they exist as at the date of this Agreement; and

2.5.4 the WTA Licences, TA Licences, and any other law or legally binding regulation in the UK or elsewhere from time to time applicable to CTI, this Agreement or the subject matter thereof.

In the event of any conflict between any of the above, CTI shall comply with BDB's reasonable instructions as to which shall take priority, save to the extent that doing so would be unlawful.

2.6 Without prejudice to Clause 7.3 in the event of any variation from time to time of the provisions of the ITC Technical Performance Code, or the technical distribution and transmission requirements of the Multiplex Licences, ("Variation"), CTI shall provide the Services (subject to its ability to obtain third party consents which CTI shall use its best endeavors to obtain) in compliance therewith provided that the effect on the Services of compliance with the Variation shall be considered by the parties through the Change Control Procedure and BDB shall be responsible (to the extent that there is any cost and that such cost is necessarily incurred) for the material cost of implementing such Variation and any material increase in CTI's costs of providing the Services as changed to comply with the Variation provided further that BDB shall not be charged more than its appropriate share of such costs.

2.7 If the ITC specifies a particular European Community digital standard to be met in accordance with Section 142(3) of the 1996 Act, CTI shall (subject to its ability to obtain third party consents which CTI shall use its best endeavours to obtain) employ a transmission system in compliance with that European Community digital standard within the time periods required by the ITC provided that any changes to the Technical Specification and/or the Services in consequence shall be authorised by BDB in accordance with the Change Control Procedure and if the implementation of material changes causes CTI necessarily to incur a material increase in costs, said material increase in costs shall be met by BDB, provided further that BDB shall not be charged more than its appropriate share of such costs.

2.8 If, during the continuance of this Agreement there should come into force a change in law or legally binding regulation applicable to this Agreement or the subject matter hereof, which necessitates (in order for CTI to comply with Clause 2.5.4) a change in the Services and/or increases in CTI's costs of providing the Services the parties shall consider such change in the Services or increase in costs pursuant to the Change

Control Procedure. BDB and CTI agree that BDB shall be responsible (to the extent there is any and it is necessarily incurred) for any increase in the material costs incurred by CTI of implementing or providing the Service in compliance with such change in law or legally binding regulation to the extent that such change in law or legally binding regulation is only applicable to the Services or is applicable to digital terrestrial television generally in which case BDB shall not be charged more than its appropriate share.

- 2.9 CTI shall, in relation to each BDB Multiplex provide the Services with a minimum end to end Accountable Availability from the BDB Interface to the output of each station of 99.9% except for those Stations identified in Schedule 7 Part III in respect of which the end to end Accountable Availability from the BDB Interface to the output of each Station will be a minimum of 99.8%. Such end to end Accountable Availability to be calculated as set out in Schedule 7.
- 2.10 CTI undertakes that it will use the skill and care of a diligent provider of distribution and transmission services in the provision of the Services, and discharge its obligations under this Agreement in accordance with best practice in the broadcasting industry.
- 2.11 CTI shall ensure that:
- 2.11.1 no change of, reference to or use of a date later than 31 December 1998 in the operation of the Network or the Network Status System will have an adverse effect on, or cause Services to cease to meet the Technical Specification; and
- 2.11.2 without prejudice to the generality of Clause 2.11.1 above, the Network and the Network Status System will, in responding to two-digit date input and providing date output, resolve any ambiguity as to century in a manner which is consistent, clearly defined and apparent to the user.
- 2.12 CTI shall ensure that each Station satisfies the minimum level ERP (as specified in the Template) for each of Multiplexes B, C and D and will use all reasonable endeavors to maximise ERP at each Station within the maximum constraints specified in the Templates for each Station. CM shall demonstrate compliance with these obligations by the relevant transmission testing procedures described in Schedule 5 and Schedule 4 Part IV.
- 2.13 In the event that the population coverage predicted by the ITC for a Template is not reached ("COVERAGE LOWS") despite CTI's compliance with Clause 2.12, CTI will use all reasonable endeavours to overcome the Coverage Loss with practical solutions (to be considered through the Change Control Procedure) and will provide all reasonable assistance to BDB in any consequential discussions with the ITC. If such Coverage Loss is due to failure of CTI to comply with Clause 2.12, CTI will be responsible for any costs and expenditure incurred in correcting such failure and providing assistance

to BDB. In all other circumstances where BDB wish to have such corrective works performed, the additional expenditure required will be met by BDB.

Use of Fibre Distribution Network

- 2.14 The Charges are based on the use by CTI of the Fibre Distribution Network. British Telecommunications Plc ("BT") has offered to provide CTI with fibre distribution services which will enable CTI to provide the Distribution Services using the Fibre Distribution Network.
- 2.15 The price at which CTI has been offered fibre distribution services by BT and therefore the charges set out in Part 1 of Schedule 2 are based on a new tariff for a bespoke distribution network which can only be made available if taken up by the operators of a minimum number of digital terrestrial television multiplexes and CTI is waiting confirmation from BT that it can make the fibre distribution services available to CTI on the basis of the tariff. However, CTI agrees to use all reasonable endeavors to procure the availability of the Fibre Distribution Network as contemplated in this Agreement.
- 2.16 If, during the first six months from the date hereof, the price at which CTI is supplied by BT with the Fibre Distribution Network is materially increased or the Fibre Distribution Network is no longer available either because the operators of the multiplex used to transmit the digital services of Channel 3 and Channel 4 or the BBC elect not to use the bespoke distribution network contemplated in Clause 2.15 or as a result of a regulatory intervention by, or other requirements of, the Director General of Telecommunications, the Change Control Procedure shall be invoked to discuss the implications of the intervention or other requirements and, if BDB elects to continue with the Fibre Distribution Network, BDB acknowledges that the Charges will be amended accordingly (provided that CTI shall use all reasonable endeavors to reduce the amount of any increase and shall follow all reasonable instructions of BDB relating to the use of an alternative distribution system) and that in the absence of such amendment CTI shall not be obliged to provide the Fibre Distribution Network.
- 2.17 If, during the first six months from the date hereof, BT is unable to make the fibre distribution services available to CTI as contemplated in Clause 2.14 and 2.15 and CTI can therefore not commit to providing the Fibre Distribution Network. BDB shall have the option to require CTI to substitute the Satellite Distribution Network on the basis set out in Annex 1 (the provisions of which shall be substituted for the equivalent provisions of Schedules 2, 3, 6 and 11) and the Satellite Distribution Network shall become the Distribution Network for the purposes of this Agreement.

3. OWNERSHIP OF THE NETWORK AND SCOPE OF THIS AGREEMENT

- 3.1 The Network shall be procured and/or constructed, operated and maintained by CTI to provide, inter alia, the Services to BDB.

- 3.2 Subject to the provisions of Clause 3.3 all equipment and services required by CTI to provide the Services (including but not limited to the Sites, buildings, plant, the Distribution Network and the Transmission Network) will be acquired, obtained or procured by CTI at its own cost.
- 3.3 [*].
- 3.4 The parties will ensure their financial advisers co-operate to seek an early resolution to the manner in which the arrangements contemplated in Clause 3.3 are best achieved.
- 3.5 Subject to Clauses 3.3 and 18.11, as between CTI and BDB, BDB shall have no ownership of any part of the Network.
- 3.6 This Agreement relates, inter alia, to the rollout of the 81 Stations specified in Schedule 8. If, without hereby creating any binding obligation, the parties agree to include any Additional Stations in the Network the terms on which such Additional Stations shall be provided, including the order and speed of the rollout of the Subsequent Stations shall be agreed in accordance with the Change Control Procedure save that the Charges attributable to such Additional Stations shall be calculated in accordance with the provisions of Schedule 12.
- 3.7 The Exclusive Equipment shall not be used by CTI to provide services to itself or to any third party without the prior written consent of BDB.

4. ROLL-OUT OF THE STATIONS AND DISTRIBUTION NETWORK

- 4.1 CTI will construct and/or procure the construction of the Transmission Network in accordance with best industry practice in the broadcasting industry.
- 4.2 ITC shall bring each of the Stations into Operational Service on its Ready for Service Date. The Initial Site Service Dates, subject to the provisions of this Agreement, are as Follows:
- 4.2.1 for the Phase I Stations, the Initial Site Service Date shall be the date 12 months from the grant of the Multiplex Licences provided that CTI shall use its reasonable endeavors to bring each of those Phase I Stations into

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

Operational Service on its Target Site Service Date or as soon as practicable thereafter;

4.2.2 for each of the Phase II and Phase III Stations, the initial Site Service Date shall be the Target Site Service Date as extended by a period equal to the period of time between 30 September 1998 and the latest Initial Site Service Date for a Phase I Station agreed between the parties pursuant to Clause 4.2.1 or 4.3.1, as the case may be, provided that CTI shall use its reasonable endeavors to bring each of those Phase II and Phase III Stations on its Target Site Service Date.

4.3 Without prejudice to Clause 4.2:

4.3.1 no later than 30 days after the grant of the Multiplex Licences, CTI and BDB will consider, in good faith, whether the Initial Site Service Dates for the Stations should be revised (taking into account, amongst other things, the obligation of CTI to use reasonable endeavors to bring each of the Stations into Operational Service on its Target Site Service Date; the requirements of BDB and of the digital terrestrial television industry generally, including the requirements of CTI and NTL to have sufficient time to roll-out the Stations in order to meet agreed Ready for Service Dates; and any Advance Works carried out); and

4.3.2 not less than 90 days before each initial Site Service Date, CTI and BDB will again consider, in good faith, whether that Initial Site Service Date should be revised.

If CTI and BDB agree to the revision of an Initial Site Service Date pursuant to this Clause 4.3 then BDB shall, having regard to its obligations under the Multiplex Licences, and where relevant, use its reasonable endeavors to seek the consent of the ITC (and any other regulatory authority having jurisdiction) to an Amended Site Service Date. If CTI and BDB agree and, where relevant, the ITC (and any other regulatory authority having jurisdiction) consent to the Amended Site Service Date, then such date shall be substituted as the Ready for Service Date.

4.4 If, pursuant to Clause 4.3, CTI and BDB decide not to revise an Initial Site Service Date, or fail to reach agreement relating to any proposed revision to an Initial Site Service Date, or the ITC (or any other regulatory body having jurisdiction) refuses to consent to any revision to a Start of Service Date proposed as a consequence then that Initial Site Service Date shall remain the Ready for Service Date unless, in the event of the ITC refusing to consent to a revision to the Start of Service Date, CTI and BDB nonetheless agree an Amended Site Service Date, in which case said Amended Site Service Date shall become the Ready for Service Date.

4.5 If at any time an event occurs or circumstances arise which may delay the bringing into Operational Service of any Station on the relevant Ready for Service Date, then

CTI shall as soon as reasonably practicable (and in any event within 5 Business Days of CTI becoming aware of the event or circumstances in question), notify BDB of that fact in writing. Such notification shall set out:

- 4.5.1 the nature of the event or circumstances and whether they have arisen as a result of any of the causes set out in Clause 4.7;
- 4.5.2 a description of the steps, if any, which CTI has identified are necessary to rectify the matter and bring the Station into Operational Service on the relevant Ready for Service Date or as soon as practicable thereafter; and
- 4.5.3 the likely effect of the event or circumstances on the achievability of the relevant Ready for Service Date.

4.6 Following receipt by BDB of any notification pursuant to Clause 4.5, CTI and BDB shall discuss in good faith:

- 4.6.1 actions which can be taken to rectify the matter; and
- 4.6.2 any proposed change to the relevant Ready for Service Date.

4.7 Notwithstanding the foregoing, if any event or circumstance notified by CTI under Clause 4.5 is, or arises as a result of, one or more of the following:

- 4.7.1 a Force Majeure Event;
- 4.7.2 any material breach by BDB of any material obligations of BDB under this Agreement which prevents CTI from performing the relevant obligation under this Agreement; or
- 4.7.3 compliance with any applicable law, the mandatory requirements of any national or supranational regulatory authority, the Radio Regulations or any other applicable statutory obligations (including, for the avoidance of doubt, frequency planning or international frequency clearance issues);

then, such events shall be deemed, for the purposes of this Agreement, to be outside the control of CTI save to the extent that the event arose (in the case of an event under Clause 4.7.3 only) as a result of any breach of this Agreement by CTI. Accordingly, CTI shall have no liability to the extent delay arises from such events, whether under Clause 6.1 or otherwise, to pay any Delay Rebate, damages or other compensation to BDB as a result of the relevant Station not being ready for Operational Service by the Ready for Service Date as a result of such events and that Ready for Service Date shall be extended to the earliest practicable Amended Site Service Date on which BDB requires and CTI can, using its best endeavors, make the Station available for Operational Service in the light of the relevant event. The provisions of Clause 5 shall apply to determine whether the relevant Station is ready for Operational Service by the Amended Site Service Date.

4.8 The costs (subject to Clause 17.7) of circumventing or rectifying the consequences of the cause of delay set out in Clause 4.7 shall, save to the extent that the event arose (in the case of any event under Clause 4.7.3 only) as a result of any breach of this Agreement by CTI be borne by BDB.

5. TESTING

5.1 CTI shall, at its cost, test the Network and test each Station prior to its Ready for Service Date in accordance with Part I of Schedule 5 and all reasonable instructions of BDB. All Transmission Testing shall be conducted in accordance with any applicable law, licence or regulatory requirement (including, without limitation, the ITC Guidance Note on Test Transmissions).

5.2 Each Station shall be made available for testing prior to its Ready for Service Date as soon as reasonably required by BDB.

5.3 CTI shall provide BDB with reasonable advance notice of any Transmission Testing and BDB or its authorised representatives shall have the right to attend and monitor any Transmission Testing.

5.4 As soon as reasonably practicable before the Ready for Service Date for a Station. CTI will confirm to BDB that the Station is ready for Operational Service. Such confirmation shall be in writing and shall be accompanied by a full set of test results for each station showing that the Transmission Testing has been completed successfully. A Station shall be ready for Operational Service when it has satisfied the Transmission Testing.

5.5 BDB shall have the right to verify the results of the Transmission Testing. The costs of such verification shall be met by BDB save where such verification reveals that the Station in question has not satisfied the Transmission Testing in which case the costs of the verification and any subsequent Transmission Testing shall be met by CTI.

5.6 Between the Ready for Service Date and the Actual Site Service Date of each Station CTI shall perform such Test Transmissions from that Station as may reasonably be requested by BDB such Test Transmissions to be carried out at such times and for such periods as BDB may reasonably require. The costs of the Test Transmissions shall be met by CTI. BDB shall provide such BDB Signals or other material as are agreed with CTI for the purpose of enabling Test Transmissions, to be carried out.

6. CONSEQUENCES OF FAILURE TO ACHIEVE READY FOR SERVICE, DATES

6.1 Subject to Clauses 4.2 and 6.2, if any Station is not ready for Operational Service by the relevant Ready for Service Date, then CTI shall be liable to pay a Delay Rebate in an amount in respect of the relevant Station calculated in accordance with Part II of Schedule 7, for the period from noon on the relevant Ready for Service Date to the Actual Site Service Date. The Delay Rebate shall be credited against the Charges

payable in respect of the first month of the Year following the Year in which the Ready for Service Date originally fell.

- 6.2 The Distribution Network for each Station shall be available for Operational Service no later than the Ready for Service Date for that Station. With respect to each Phase I Station, if the Distribution Services are provided using the Fibre Distribution Network, CTI shall use all reasonable endeavors to ensure that the Distribution Network for that Phase I Station is ready for Operational Service on the date falling [*] days before the Start of Service Date for that Phase I Station. For the purposes of calculating Delay Rebate, due solely to failure to make the Fibre Distribution Network for a Phase I Station available the Ready for Service Date for that Phase I Station shall be deemed to be the date [*] days before the Start of Service Date for that Phase I Station and CTI shall not be liable in breach of contract for any failure to have the Fibre Distribution Network for that Phase I Station ready for Operational Service prior to that date.
- 6.3 If BDB elects to employ the Satellite Distribution System pursuant to Clause 2.17, CTI shall ensure that the satellite space segment necessary to provide the Distribution Services is available for use by CTI as from a date to be agreed between the parties and, in any event, no later than 60 days prior to the first Start of Service Date.

7. MODIFICATIONS TO EXISTING ANALOGUE TRANSMISSION SYSTEMS

- 7.1 CTI shall, at its own cost and in a proper manner carry out or procure that the work described in the Agreed Impact Schedule is carried out as requested in order to enable Operational Service to commence from each Station on the relevant Ready for Service Date and subject to Clause 7.3 in compliance with the Multiplex Licences and shall promptly carry out any other work agreed by BDB and CTI to effect changes required to the analogue transmitter network as a consequence of transmission on the frequencies allocated to the BDB Multiplexes.
- 7.2 In the event that any analogue modification works are required to overcome interference caused by or as a direct consequence of the Network to analogue television broadcast services in addition to those works identified in the Agreed Impact Schedule, then CTI will provide details of the works to be carried out, the costs and estimated duration of such works and such other information as BDB may reasonably require and CTI will, where required by BDB, carry out such works and meet the reasonable costs and expenses (provided that BDB shall not be charged more than its appropriate share) of the carrying out of such works agreed by BDB (the "EXPENDITURE").[*]
- 7.3 Nothing in this Agreement shall impose any obligation on CTI to carry out domestic returning or antenna alignment or to establish a help desk or similar facility to deal

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with queries or complaints from the general public in connection with the provision of the Services.

8. SECURITY AND SITES

8.1 CTI will take and procure that its sub-contractors take all such security measures in relation to the Network (including, but not limited to at the Sites) as would normally be taken by an experienced distribution and transmission services provider including, but not limited to, security measures at the Stations to protect against forcible entry and damage by vandals and burglars using hand operated tools, including protection of doors and windows in Station buildings, protection of antenna feeders by scaled underground ducting, steel tube or trunking protection of feeds located above ground to a height above anti-climbing guards on the antenna support structures, and intruder alarms at all monitored unattended Stations. CTI shall regularly review the efficacy of such security measures and shall take additional security measures at Stations allocated high priority status by CTI as set out in Schedule 8, such additional security measures to include, without limitation, additional monitored security fencing and security cameras.

8.2 Where CTI is not the owner of a Site and the owner of that Site wishes to terminate CTI's right to use the Site, CTI will notify BDB of such intended termination as soon as reasonably practicable and shall consult with and where practicable pay due heed to any recommendations made by BDB. CTI shall, in any event make all necessary arrangements for the provision of a substitute station which shall become a Station for the purposes of this Agreement, subject to receiving the consent of ITC (and other relevant regulatory authorities) and BDB (such consent not to be unreasonably withheld by BDB). CTI shall use all reasonable endeavors to ensure that this event does not give rise to a material deterioration of the level or quality of the Services.

9. INDUSTRY LIAISON AND SPECTRUM MANAGEMENT

9.1 CTI will throughout the Term:

9.1.1 work closely with BDB and all relevant third parties in providing its technical expertise and support (including, but not limited to, BDB's chosen systems integrator, the ITC, the Radiocommunications Agency, NTI., other relevant organisations, other multiplex distribution and transmitter network services operators, receiver, set top box and other equipment manufacturers) with a view to achieving the interoperability of services and equipment and the successful launch of digital terrestrial television in the UK;

9.1.2 liaise with relevant organisations and groups such as the UK Digital Television Group;

9.1.3 attend or be represented at relevant meetings (to the extent that CTI is permitted or invited to attend) relating to digital terrestrial television broadcasting; and

9.1.4 assist BDB where reasonably requested in preparing written representations or submissions to regulators, industry or government bodies or working groups relating to the subject matter of this Agreement, including representations or submissions relating to digital terrestrial television broadcasting.

9.2 Throughout the Term, CTI will co-operate with and assist BDB where reasonably requested by it, in relation to questions of spectrum management or frequency clearances.

9.3 CTI will provide BDB with engineering advice on interference problems arising from the roll-out of the Transmission Network. CTI will at its own expense provide reasonable support to BDB equivalent to one CTI engineer (including vehicle if required) for two man years of effort.

9.4 CTI will at its own cost verify coverage of the Stations as set out in Schedule 4 Part IV until such time as the parties reasonably agree that measured coverage correlates with predictions.

9.5 Further support will be made available to BDB (if required) for an extra charge. This additional support will be charged on a rate card basis at the following 1997 rates (which rates are subject to annual percentage increase equal to the percentage increase in RPI over the previous twelve months):

9.5.1 Engineer @: [*] per hour plus reasonable expenses;

9.5.2 Survey Vehicles @: [*] each per day or [*] each per week; and

9.5.3 Miscellaneous expenses (e.g. fuel, ferries, tolls) at cost.

10. LICENCES

10.1 CTI shall, subject to Part VI of Schedule 2, at its own cost, obtain and maintain during the Term the TA Licences and the WTA Licences and all other consents and clearances of whatever nature required to enable it to lawfully perform its obligations under this Agreement (including, but not limited to, local planning authority approvals and relevant site sharing agreements in relation to any Third Party Sites) and CTI shall to the extent required to operate the Network and provide the Services comply with the terms of all such licences, clearances and consents and shall not do anything or omit to do anything which would cause such licences, clearances or consents to be suspended, avoided, adversely varied, revoked or not renewed.

10.2 BDB shall obtain and maintain at its own expense during the Term the BDB Multiplex Licences and all other consents and clearances required to enable it to perform its obligations under this Agreement and BDB shall, to the extent necessary to enable it to perform its obligations under this Agreement, comply with the terms of such licences and consents and shall not do anything or omit to do anything which would

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cause such licences, clearances or consents to be suspended, avoided, adversely varied or revoked.

11. BDB SIGNALS

11.1 BDB shall supply the BDB signals to CTI in accordance with the Handover Requirements at the BDB interface.

11.2 In the event of interruption or degradation to the BDB Signals occurring prior to receipt of the BDB Signals at the BDB Interface, the onus shall be upon BDB to establish and remedy the cause, at its own cost. CTI shall not be held to be in breach of any of its obligations under this Agreement resulting solely from interruption or deterioration in the quality of transmission of the BDB Signals in such circumstances provided that CTI shall continue to transmit the BDB Signals to the extent it is able to do so, unless instructed to the contrary by BDB.

11.3 BDB will supply the BDB Signals in such form as is necessary to permit CTI to comply with the relevant provisions of the 1996 Act, the terms of the BDB Multiplex Licences, the WTA and the Telecomms Act and any other licence which governs the running of the Network.

11.4 Without limitation to the generality of Clause 11.3, BDB undertakes that the BDB Signals will not contain any material:

11.4.1 which is defamatory, offensive or abusive or of an obscene or menacing character; or

11.4.2 which constitutes a violation or infringement of the rights of any person (including but not limited to all intellectual property rights such as moral rights, rights of copyright or confidentiality) or infringement of any law.

Provided that any breach of this Clause 11.4 shall not give CTI the right to terminate this Agreement pursuant to Clause 18.

11.5 BDB warrants to CTI that it will perform its obligations under this Agreement in compliance with all applicable laws and legally binding regulations, directions, permissions, licences, waivers, consents, registrations, approvals and other authorities of competent authorities in the UK or elsewhere.

11.6 BDB will indemnify CTI against all losses, costs, claims, damages and expenses arising out of a breach of Clauses 11.4 or 11.5 (A "RELEVANT CLAIM").

11.7 If CTI becomes aware of a matter which might give rise to a Relevant Claim:

11.7.1 CTI shall notify BDB immediately of the matter (stating in reasonable detail the nature of the matter and, if practicable, the amount claimed) and consult with BDB with respect to the matter; if the matter has become the subject of proceedings, CTI shall if the existence of the proceedings are known by it

notify BDB within sufficient time to enable BDB to contest the proceedings before final judgment;

11.7.2 subject to any bona fide binding obligations of confidentiality, CTI shall provide BDB and its advisers with reasonable access to CTI premises and personnel and use its reasonable endeavors to procure access to other relevant premises and personnel and to all relevant assets, documents and records that it possesses or controls for the purposes of investigating the matter and enabling BDB to take the action referred to in Clause 11.7.4;

11.7.3 subject to any bona fide binding obligations of confidentiality, BDB may, at its cost, take copies of the relevant CTI documents or records, and photograph the premises or assets, specified in Clause 11.7.2. CTI shall use reasonable endeavors to procure any requisite consents to allow BDB to obtain copies of third party documents or records in its control or possession.

11.7.4 CTI shall (subject to BDB indemnifying CTI against the cost or damages incurred thereby):

- (a) take any action and institute any proceedings, and give any information and assistance BDB may reasonably request to:
 - (i) dispute, resist, appeal, compromise, defend, remedy or mitigate the matter; or
 - (ii) enforce against a person (other than BDB) CTI's rights in relation to the matter; or
- (b) in connection with proceedings related to the matter (other than against BDB) use advisers chosen by BDB and, if BDB requests, allow BDB the exclusive conduct of the proceedings; and
- (c) not waive any defence or settle any claim without BDB's prior written approval (such approval not to be unreasonably withheld or delayed).

11.8 Nothing in this Clause 11 in any way restricts or limits CTI's general obligation at law to mitigate a loss which it may incur as a result of a matter giving rise to a claim pursuant to Clause 11.6.

11.9 Nothing in this Clause 11 shall impose any obligation on CTI to monitor the BDB Signals to ensure that they do not contain any material transmission of which would result in a breach of Clause 11.4.

11.10 In the event that BDB is required to suspend broadcasting of the BDB Signals as a result of any breach of Clause 11.4 or otherwise as the result of any applicable law, or regulatory requirement (including but not limited to compliance with a direction of the ITC) for any reason, CTI shall, upon receipt of written notification from BDB or

earlier if pursuant to a legal requirement, suspend provision of the Services for the requisite period notified by BDB (or such longer period as necessary pursuant to the legal requirement) provided that in doing so CTI shall not incur any liability to pay Service Credits to BDB and BDB shall continue to pay (subject to Clause 17.9) the Charges for the Services in accordance with the provisions of Schedule 2.

12. EQUIPMENT LOCATED AT BDB PREMISES

12.1 BDB will permit CTI to locate:

12.1.1 Network Status System equipment comprising a personal computer and interface (with suitable electronic firewall systems installed) linked by data circuit to the TOC as described in Schedule 3 Part IIIa: and

12.1.2 equipment to be installed in the CTI Area as described in Schedule 6 Part I:

in such reasonably suitable location at BDB's Multiplex Centre as BDB may determine, free of charge and to connect the same to a power source provided at the cost of BDB.

12.2 CTI will be responsible and will otherwise procure at its own cost that the data circuit is monitored and the database and the software application and the other Equipment referred to in Clause 12.1 above are maintained for the duration of this Agreement.

12.3 Ownership of the Equipment referred to in Clause 12.1 shall remain vested in CTI. BDB shall nevertheless be responsible for the said Equipment once it is installed on BDB premises and BDB shall be responsible for the reasonable cost of replacing any part of the said Equipment that is damaged lost or stolen while in BDB's custody other than as a result of any act or omission on the part of CTI or its agents or contractors.

12.4 BDB shall grant CTI and its authorised sub-contractors all reasonable access to the Equipment referred to in Clause 12.1 during normal business hours for the purpose of installing, inspecting, maintaining, renewing, upgrading and removing the said Equipment from the Multiplex Centre, as necessary. CTI shall itself and shall procure that its sub-contractors, comply with all applicable Health and Safety legislation and regulations and any code of practice or safety at work rules operated by BDB or the occupier of the Multiplex Centre in respect of the Multiplex Centre and all other reasonable instructions of BDB or such owner or occupier of the Multiplex Centre.

13. CONTRACT MANAGEMENT, REVIEW OF SERVICES AND DISPUTES

CONTRACT MANAGEMENT

13.1 BDB and CTI will meet, at regular intervals with such frequency as may be reasonably required by BDB, for the purposes of project planning, discussing and reviewing the provision of the Services and, In particular, the progress of the rollout

plans. CTI shall provide project planning information to BDB with such frequency and in such form as BDB may reasonably request.

Service Management Board

13. CTI and BDB will establish a Service Management Board (the composition of which shall be agreed between CTI and BDB) to deal with all major matters concerning the amendment, or the reviewing of the operation, of this Agreement. The Service Management Board will consist of two or more representatives of each party. The Service Management Board will meet at least once a Year, or at such other times as is agreed between the parties or is required under the terms of this Agreement. The Service Management Board's remit will be as follows:

- 13.2.1 not less frequently than every three years during the Term to perform a technical review of the Equipment comprised in the Network and equipment available in the market. Where opportunities are identified to operate the Services more cost efficiently, the parties will co-operate in good faith and where practicable CTI will, if required by BDB, take advantage of such opportunities, provided neither party is disadvantaged as a result;
- 13.2.2 to attempt to resolve any disputes that may arise between the parties;
- 13.2.3 to consider and plan for the implementation of new services and any Additional Stations; and
- 13.2.4 any other matters which the parties may agree from time to time.

Disputes

- 13.3 Any complaints, disputes or problems (each an "Issue") relating to this Agreement will be escalated as set out in this Clause 13.3:
- 13.3.1 if an Issue is not resolved to the satisfaction of either party within 30 days of both parties having first been aware of it, then either party may refer the Issue to the Service Management Board;
 - 13.3.2 if an Issue is referred to the Service Management Board, then each party must procure that their representatives on the Service Management Board discuss the issue in good faith at the next meeting of the Service Management Board with a view to resolving it. Either party may convene a meeting of the Service Management Board to be held within 14 days of an Issue being referred to it. If the Issue is not resolved to the satisfaction of either party within 7 days of the meeting of the Service Management Board, then either party may refer the Issue to the Director of Options of BDB, in the case of BDB ("THE BDB NOMINEE") and to the Chief Operating Officer of CTI in the case of CTI ("THE CTI NOMINEE");

- 13.3.3 if the Issue is referred to the BDB Nominee and the CTI Nominee, then each party must procure that their representatives discuss the Issue in good faith as soon as reasonably practicable and in any event, within 14 days of the meeting of the Service Management Board referred to in Clause 13.3.1;
- 13.3.4 if an Issue which relates solely to matters of an engineering or technical nature is not resolved pursuant to Clause 13.3.3, either party may refer it (with a request that the person appointed does not have a conflict of interest) for adjudication to the President for the time being of the Institution of Electrical Engineers, or his nominee. The President or his nominee shall act as an expert, not an arbitrator. The party referring any Issue for adjudication must deliver to the expert and the other party a notice setting out the matters in dispute and any relevant supporting evidence. The other party shall be entitled to reply to the notice and such evidence, delivering such reply to the expert and the party referring the Issue. Otherwise, the expert shall be entitled to decide on the procedure he or she wishes to adopt. Any determination of the expert must be in writing and shall be final and binding on both parties failing any manifest error on the face of the decision. Unless the expert determines otherwise, both parties will bear their own costs of the determination and half the costs of the expert;
- 13.3.5 if an Issue which does not relate solely to matters of an engineering or technical nature is not resolved pursuant to Clause 13.3.3, either party may refer it to mediation in accordance with the Centre for Dispute Resolution procedures then in force. The other party shall not be obliged to attend such mediation. If after 30 days of the matter being referred to mediation or if either party believes that mediation has not resolved the Issue or it believes that it is not appropriate to resolve the issue by mediation or the other party has refused to attend mediation, then either party may proceed to litigation. Unless agreed otherwise, each party will bear their own costs of the mediation and half the costs of any third party involved;
- 13.3.6 except where clearly prevented by the nature of the Issue, the parties shall continue performing their respective obligations under this Agreement while any Issue is escalated in accordance with this Clause 13.3. Without prejudice to the generality of the foregoing, BDB shall continue to pay the Charges.

14. PERFORMANCE MONITORING AND REPORTING

Network Status System

- 14.1 CTI shall supply, install and maintain a Network Status System, (a description of the functionality of which is set out in Part IIIA of Schedule 3 and Part II of Schedule 6), which shall provide substantially similar information regarding the status of the Network as is available to CTI, at the location described in Clause 12.1 or such other location within the UK as BDB may reasonably direct. The Network Status System

shall give an overview of the entire Network indicating the current status of the Distribution Network, the Transmission Network and all the Stations.

Monitoring

- 14.2 CTI shall monitor, control and report on the transmission of the BDB Signals against the Technical Specification.
- 14.3 CTI shall immediately notify the BDB Representative of any Transmission Fault in relation to the Services and shall, as soon as reasonably practicable, issue a Fault Report in the form reasonably prescribed by BDB (to include, without limitation, a fault number, the time the Transmission Fault occurred, the nature of the Transmission Fault and the anticipated time it will take to remedy the Transmission Fault).
- 14.4 CTI shall respond to any Transmission Faults of which it becomes aware (whether through its monitoring of the Services, as a result of such Transmission Faults being reported to it by BDB or otherwise), as soon as reasonably practicable, within the Response Times.
- 14.5 CTI shall monitor the quality of the BDB Signals received at the BDB Interfaces. CTI shall, as soon as reasonably practicable, notify the BDB Representative where any signal interruption or degradation is identified at the BDB Interface and where requested by BDB will provide reasonable assistance to BDB, at BDB's cost, in establishing and remedying its cause.
- 14.6 Notices issued by CTI pursuant to Clauses 14.3 and 14.5 shall be delivered via telephone in the first instance, and confirmed by e-mail/fax to the BDB Representative at the Multiplex Centre or such other number and address as BDB may notify to CTI for the purpose.

Performance Reporting

- 14.7 CTI shall produce a monthly performance review report relating to its compliance with the Technical Specification in the previous month. The report shall be provided in such format as BDB may reasonably require and shall, in particular, set out the following:
- 14.7.1 a list of all Transmission Faults that have occurred during the period covered by the report (including those which are not to be taken into account in calculating Accountable Availability);
- 14.7.2 a separate list of all Transmission Faults which are to be taken into account in calculating Accountable Availability which have occurred during the period covered by the report together with the actual response times and correction times; and

14.7.3 such other information as may reasonably be requested by BDB from time to time.

14.8 The report required under Clause 14.7 shall be sent to the BDB Representative within seven days of the end of each month.

Annual Reporting

14.9 On or before 1st February in each Year (or on such other date as may be agreed between the parties), CTI will provide to BDB an annual written report to be prepared at CTI's cost which:

14.9.1 describes the provision of the Services (including performance changes and improvements of the Service) made during the last Year;

14.9.2 contains information concerning technological developments in telecommunications and broadcasting which are relevant to the provision of the Services:

14.9.3 includes an executive summary; and

14.9.4 is otherwise in such format and contains such material as BDB may reasonably request.

DTT Surveys

14.10 CTI will provide BDB with a Reception Survey in respect of Stations when they are ready for Operational Service in such format as is described in Schedule 4 Part IV. Nothing in this Agreement shall constitute any warranty, representation or obligation on the part of CTI as to the size of population actually capable of receiving the BDB Signals transmitted by CTI under this Agreement.

Performance Database

14.11 Source material relevant to monitoring shall be recorded by CTI in an electronic database (THE "PERFORMANCE DATABASE") which will be archived monthly and the data kept for six years from the end of the Year to which the material relates, CTI shall provide BDB and its authorised representatives with reasonable access to the Performance Database.

15. MAINTENANCE

15.1 Without prejudice to CTI's obligations to provide the Services on the terms of this Agreement:

15.1.1 CTI shall ensure throughout the term of this Agreement that it has all necessary equipment, facilities, resources and services to be able to provide the Services as described in Schedule 4 Part III;

- 15.1.2 CTI shall be entitled to interrupt the Services or to depart from the Technical Specification in any life threatening or property threatening emergency for the purposes of safety or if it is necessary to do so for essential maintenance at any of the Stations provided that CTI shall use all reasonable endeavours to reduce the impact of such emergency or essential maintenance works or repairs on the provision of the Services (including, without limitation, by performing such essential maintenance works or repairs at times when the audience for the services transmitted from the relevant Stations are low);
- 15.1.3 CTI may also interrupt the DTT Transmission Services or depart from the Technical Specification in order to carry out any planned installation works on the antenna support structures at any of the Stations;
- 15.1.4 CTI shall provide to BDB a schedule of planned maintenance on antennas and structures on a rolling twelve month basis as set out in Schedule 4 Part III;

and, save in cases of emergency, CTI will use all reasonable endeavours to agree times and duration of any interruption or impairment of the Services with the BDB Representative and use all reasonable endeavours to minimise the duration of any such interruption or impairment.

- 15.2 In cases where the Services are provided from a Third Party Site, BDB acknowledges that CTI may be required by the Site Owner to interrupt the DTT Transmission Service from the Third Party Site, on reasonable prior notice in the case of planned access or without notice in cases of emergency, so that safe access may be gained to any mast or the Equipment at the Third Party Site. CTI shall procure that the Site Owner does not interrupt, or require CTI to interrupt, the BDB Transmission Service in such circumstances save:

- 15.2.1 in the event of any life or property threatening emergency;
- 15.2.2 where any interference caused by the Equipment is creating significant degradation to the services of the users of the Third Party Site and the degradation still exists after the Site Owner has taken all reasonable measures to contact and inform CTI of such degradation and, where practicable to do so, the Site Owner has allowed CTI a reasonable period to remedy any such interference;
- 15.2.3 it is required to do so by the Department of Trade and Industry (or its statutory successor or equivalent); or
- 15.2.4 with the agreement and at the request of CTI (which shall not be forthcoming without BDB's consent, such consent not to be unreasonably withheld or delayed)

and CTI shall further procure that, where practicable, such interruptions occur at times and for duration reasonably agreed with BDB and during periods when the audience receiving the BDB Signals is anticipated to be low.

- 15.3 In the case of a Transmission Fault which cannot be dealt with by remote control, CTI shall ensure that the time from the occurrence of the Transmission Fault until the time an Engineer attends at the site of the Transmission Fault or other impairment does not exceed the relevant Response Time.
- 15.4 CTI shall ensure that action is taken to rectify any Transmission Fault or other impairment as soon as practicable after the time of the occurrence of the Transmission Fault or other impairment.
- 15.5 CTI shall obtain, commission and provide at CTI's expense the Emergency Reserve Equipment and the Disaster Recovery Systems and such other equipment and services as would normally be held by a prudent distribution and transmission services operator to restore distribution and transmission services similar to the Services in the event of loss of the same.
- 15.6 CTI shall permit BDB or its authorised representative by reasonable prior arrangement to visit any of the Stations accompanied by a representative of CTI, for the purpose of inspecting that part of the Network located there. In such circumstances CTI shall be entitled to invoice BDB, as an additional charge, its reasonable attendance costs of a member of the local maintenance team calculated in accordance with CTI's standard ratecard. This charge shall not apply before the Start of Service Date of each Station. BDB shall itself and shall procure that its subcontractors, comply with all applicable Health and Safety legislation and regulations and any code of practice or safety at work rules operated by CTI (or NTL) at the applicable Station.

16. CHANGE CONTROL

- 16.1 Except as expressly set out in this Agreement, any changes to this Agreement or any of the Services proposed by CTI shall be dealt with in accordance with Schedule 1, Part I.
- 16.2 Except as expressly set out in this Agreement, any changes to this Agreement or any of the Services proposed by BDB shall be dealt with in accordance with Schedule 1, Part II.

17. CHARGES, SAVINGS, PAYMENT AND BILLING

Charges and Payment for the Services

- 17.1 In consideration for the satisfactory performance by CTI of its obligations under this Agreement BDB shall pay the Charges (in Pounds Sterling) in accordance with the payment timetable and instalment provisions set out in Schedule 2.

- 17.2 Upon this Agreement coming into full force and effect, Advance Payments paid by BDB pursuant to the Pre-Contract Funding Agreement shall be set off against the equivalent monthly charges which would have been payable pursuant to this Agreement had this Agreement been in full force and effect from the date hereof.
- 17.3 In the event that the Commencement Date occurs between 1 October 1998 and 31 December 1998 and in consequence CTI incurs any material additional operational expenditure over the Term, BDB shall bear the cost of such increase, the method of recovery to be determined under the Change Control Procedure. If this Agreement has not become unconditional in accordance with its terms prior to 1 January 1998, then:
- 17.3.1 In the event that the Term will extend beyond 31 December 2010, for the period commencing 1 January 2011 until the expiry of the Term ("RELEVANT PERIOD"), CTI shall be entitled to recover Charges at a fair market price in respect of the Relevant Period to be agreed between the parties. In default of agreement between the parties as to fair market price, the provisions of Clauses 18.2 and 18.3 shall apply mutatis mutandis as if references in those Clauses to the Extended Term were references to the Relevant Period; and
- 17.3.2 the Charges shall be adjusted by an amount equal to any bona fide material overall variation (A "COSTS VARIATION") to CTI's third party costs or operational costs relating to the provision of the Services to be agreed by the parties. In default of agreement between the parties as to the amount of that Costs Variation, the provisions of Clauses 18.2 and 18.3 shall apply mutatis mutandis as if references in those Clauses to the Extended Period were references to the Relevant Period and references to fair market price were to the Costs Variation.
- 17.4 The Charges are based on the provision of the Services and the roll-out of the Stations as set out in this Agreement. If the roll-out of the Stations is revised, the Charges shall be adjusted by CTI by an amount agreed pursuant to the Change Control Procedure.
- 17.5 CTI will operate a transparent open book approach to the provision of the Services, including, but not limited to, by providing BDB with access to CTI's information regarding CTI's costs in acquiring the Equipment, constructing or procuring the Network and providing the Services. Information provided under this Clause will be provided to BDB pursuant to Clause 17.6 or at such other times as reasonably requested by BDB.
- 17.6 [*]

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

Savings

- 17.7 Throughout the Term CTI will work with BDB, other multiplex licensees and equipment and service providers to seek to reduce CTI's costs in providing the Services. To the extent that any overall savings are achieved which have not (in respect of the Agreed Proportion thereof) been applied by CTI to defray increased or unforeseen costs in lieu of the Contingency Amount, CTI will reduce the Charges by an amount equal to the Agreed Proportion of such savings such reduction to be implemented in such a manner as to avoid financial disadvantage to CTI caused by any changes to the instalment payment of the Charges.
- 17.8 CTI shall use its reasonable endeavours to mitigate costs it may incur pursuant to Clauses 4.7 and 4.8 and, if CTI makes an overall saving in its costs as a result of a delay pursuant to Clause 4.7 such overall savings shall be passed in their entirety on to BDB by way of a reduction to the Charges the manner of implementation of which shall be agreed through the Change Control Procedure.
- 17.9 If CTI makes any overall saving in its costs as a result of the suspension of the provision of the Services pursuant to Clause 11.10, it shall pass on the benefit of such overall savings to BDB in its entirety by way of a reduction to the Charges, the manner of implementation of which shall be agreed through the Change Control Procedure.

Invoices

- 17.10 CTI will invoice BDB monthly in arrears, with invoices to be issued at the end of each month. The first such invoice will be issued at the end of the first full month since this Agreement became unconditional in accordance with its terms. All invoices will be addressed to Director of Operations, at the address in Clause 24.
- 17.11 Each invoice rendered by CTI shall be accompanied by such billing information and be in such format as BDB may reasonably require and as may be required by law or regulatory requirements.
- 17.12 Except in the event of a disagreement as to the amount due, correctly prepared and submitted invoices shall be paid by BDB on the 13th day following the date of CTI's

invoice (the "DUE DATE"). Invoices shall be payable by electronic funds transfer to Royal Bank of Scotland plc, Corporate Banking Office, P.O. Box 450, 5-10 Gt. Tower Street, London, EC3P 3HX (account no. 20071038, sort code 16-04-00) or in such other manner as CTI may reasonably direct and shall be paid in full, subject only to Clause 17.14, without any withholding, set-off or deduction whatsoever.

- 17.13 CTI may charge interest on outstanding amounts payable to CTI from the Due Date until payment in full is received by CTI at a rate equal to 2 per cent. per annum above the base lending rate of the Royal Bank of Scotland plc as current from time to time whether before or after judgement. Interest accrues daily and will continue to accrue on any unpaid amounts notwithstanding termination of this Agreement for any cause.
- 17.14 Subject to Schedule 7, if any Service Credits or Delay Rebate are payable hereunder, such Service Credits and Delay Rebate shall be deducted from the Charges by an adjustment made by CTI to the first payment due in respect of the Year following the Year in which the Service Credits or Delay Rebate accrued. Any Service Credits or Delay Rebate payable in respect of the final Year shall be paid by CTI to BDB no later than 30 days after the termination or expiry of this Agreement.

18. TERM, TERMINATION AND SUSPENSION

Commencement and the Term

- 18.1 This Agreement shall come into force as provided in Clause 2.1 and unless terminated earlier shall continue in force for the Term.
- 18.2 BDB shall have the option to extend the Term for a further period of not less than 6 years but not exceeding 12 years (the "EXTENDED TERM") by giving notice in writing to CTI not less than 12 months' prior to the expiry of the Term. Such Extended Term to be on the then current terms of this Agreement save that the Charges shall be revised to a level agreed by the parties to represent a fair market price for the Services to be provided during the Extended Term having regard amongst other things to the availability of the existing Network and Equipment and any expected replacement costs thereof.[*]

18.3 [*]

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

Termination

- 18.4 Subject to Clause 18.5, if either party is in material breach of this Agreement (the "BREACHING PARTY"), the other party may, by notice in writing, terminate this Agreement by giving three months' prior written notice.
- 18.5 In the case of a material breach of this Agreement which is remediable, the other party may serve a notice on the Breaching Party giving details of the breach and requiring it to remedy the breach within 30 days of receipt of the notice. If the Breaching Party fails to remedy the breach within the period specified in the notice then the other Party may terminate this Agreement by giving two months' prior written notice during which BDB, if the other party, may suspend taking the Services and payment of the Charges to CTI.
- 18.6 BDB may terminate this Agreement on 30 days written notice if any TA Licences are suspended or revoked thereby preventing the lawful performance by CTI of this Agreement.
- 18.7 In the event of a suspension or revocation of a right to use a frequency under a WTA Licence:
- 18.7.1 CTI shall endeavour to reverse the effect of the suspension or revocation;
- 18.7.2 if CTI cannot implement Clause 18.7.1, the parties shall attempt to agree on whether to exclude the affected Station from the Services and the consequent reduction in the Charges; and
- 18.7.3 in the event that neither of the above are achieved within 30 days or any longer period reasonably agreed by the parties, BDB may terminate this Agreement on 30 days written notice provided that the effect of the suspension or revocation is such as to cause the ITC to revoke or threaten to revoke the Multiplex Licences or otherwise has the effect that BDB is deprived of revenue equivalent to three month's worth of Relevant Revenue. For the purpose of this clause Relevant Revenue means 2% of BDB's revenue for the twelve months preceding the event.
- 18.8 Either party may terminate this Agreement with immediate effect by written notice if:
- 18.8.1 a liquidator, administrative receiver, administrator or receiver is appointed (other than for the purpose of an amalgamation or reconstruction, the terms of which have been previously approved by the party having the right to terminate (such approval not to be unreasonably withheld or delayed in the

case of a solvent amalgamation or reconstruction)) in respect of the whole or a material part of the assets and/or undertaking of the other party; or

- 18.8.2 the other party enters into an arrangement or composition with its creditors, or if it becomes unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986.

Suspension

- 18.9 CTI may suspend provision of the Services in whole or in part until further notice on notifying BDB in writing with immediate effect from receipt by BDB of the notice on the occurrence of any of the following (a "SUSPENSION EVENT"):

- 18.9.1 BDB is in material breach of this Agreement which, in the case of a breach capable of remedy, BDB has failed to remedy within 30 days of receipt of notice from CTI to do so; or
- 18.9.2 any licence required by law to be held by BDB is cancelled, revoked, not renewed, suspended or otherwise terminated by the relevant licensing body thereby preventing the lawful performance by CTI of this Agreement;
- 18.9.3 The suspension of this Agreement is required in order to comply with a mandatory order, instruction or request of any government minister, The Home Office, The Channel Islands, Isle of Man Authorities, an emergency services organisation or any other competent administrative authority.

Provided that BDB will nevertheless remain liable for its payment obligations under the Agreement (subject to CTI mitigating its losses) and CTI's right to suspend the provision of the Services pursuant to this Clause shall only apply in respect of any particular Station or BDB Multiplex to the extent that and for so long as the Suspension Event occurred in respect of that Station or BDB Multiplex. Subject to BDB continuing to meet its payment obligations as aforesaid CTI agrees that the right of suspension, where exercised, shall be CTI's sole remedy for any breach in respect of which the right to suspend has been exercised. If CTI makes any overall savings, in its costs as a result of suspension pursuant to this Clause 18.9 it shall pass the benefit of these savings to BDB by crediting such saving as a reduction in the Charges, the manner of implementation of which shall be agreed through the Change Control Procedure.

Consequences of Termination

- 18.10 Expiration or termination for whatever reason of this Agreement will not affect any rights of the parties which have accrued prior to its expiration or termination including, without limitation, any right to claim damages for breach of this Agreement.

- 18.11 If pursuant to Clauses 18.4, 18.5, 18.7, 18.8 or 20.2 BDB becomes entitled to and does exercise its right to terminate this Agreement it may also exercise a right to purchase Exclusive Equipment in accordance with and subject to the provisions of Schedule 10.
19. WARRANTIES
- 19.1 Each party warrants to the other that it has full power and authority to enter into and perform its obligations under this Agreement.
- 19.2 CTI warrants to BDB that the use of the Network and the Services by BDB in accordance with this Agreement will not place BDB in breach of any law, regulation, direction, permission, waiver, consent, registration, approval or other authorisation.
20. FORCE MAJEURE
- 20.1 If a party (the "AFFECTED PARTY") is prevented, hindered or delayed from or in performing any of its obligations under this Agreement by a Force Majeure Event:
- 20.1.1 the Affected Party's obligations under this Agreement are suspended from notification of the event in accordance with Clause 20.1.2 while the Force Majeure Event continues but only to the extent that it is so prevented, hindered or delayed:
- 20.1.2 immediately after the start of the Force Majeure Event the Affected Party shall notify the other party in writing of the Force Majeure Event, the time and date on which the Force Majeure Event started and the effects of the Force Majeure Event on its ability to perform its obligations under this Agreement;
- 20.1.3 the Affected Party shall make all reasonable efforts to mitigate the effects of the Force Majeure Event on the performance of its obligations under this Agreement; and
- 20.1.4 immediately after the end of the Force Majeure Event, the Affected Party shall notify the other party in writing that the Force Majeure Event has ended, the duration of the Force Majeure Event, and shall resume performance of its obligations under this Agreement.
- 20.2 As soon as reasonably practicable and in any event within 48 hours following notification by CTI of a Force Majeure Event CTI shall develop and provide to BDB an outline plan of action for overcoming the Force Majeure Event and a timetable for implementation thereof for consideration by BDB. If such plan is acceptable to BDB, CTI shall proceed to implement such plan provided that BDB may terminate this Agreement by giving not less than 10 days written notice if such plan is not successfully implemented so as to end the Force Majeure Event within the timescales agreed. If the parties fail to agree an outline plan or CTI fails to meet the said agreed

timescales the parties shall, through the Change Control Procedure and subject to regulatory consents, attempt to agree to vary the Services and the Charges, and in default of such agreement within such timescales as BDB shall reasonably determine then BDB shall be entitled to terminate on 30 days prior written notice.

21. LIABILITY AND INSURANCE

21.1 Each party shall maintain appropriate insurance against any loss, damages, claims or actions arising out of the performance by it of its obligations under this Agreement from:

21.1.1 personal injury or death;

21.1.2 public liability; and/or

21.1.3 any other liability for which either is required by law to insure.

21.2 Service Credits shall be payable by CTI in the manner calculated as set out in Schedule 7.

21.3 BDB's entitlement to Delay Rebate and Service Credits of all Stations in any twelve month period shall not exceed [*] in aggregate. For the avoidance of doubt, nothing in this Clause 21.3 shall prevent BDB from claiming damages in respect of any breach of this Agreement which might otherwise have given rise to an entitlement to a Delay Rebate or Service Credits.

21.4 CTI's total aggregate liability in respect of all claims made under or in connection with this Agreement (including Services Credits and Delay Rebates) arising out of any event or series of events in any Year will be limited to an aggregate amount equal to [*] as set out in Schedule 2 Table 1, whether such liability arises in contract, tort, negligence, misrepresentation, breach of statutory duty or otherwise howsoever.

21.5 CTI shall not be liable to BDB for loss of profits or for any indirect, special, incidental or consequential loss whatsoever arising out of its performance of or failure to perform this Agreement, whether in contract, tort, negligence, misrepresentation, breach of statutory duty or otherwise howsoever.

21.6 Nothing in this Agreement shall exclude CTI's liability for death or personal injury caused by its negligence.

21.7 BDB shall not be liable to CTI for loss of profits or for any indirect, special, incidental or consequential loss whatsoever arising out of its performance of or failure to perform this Agreement, whether in contract, tort, negligence, misrepresentation, breach of statutory duty or otherwise howsoever provided that this Clause 21.7 is not intended to and shall not operate to deprive CTI of damages calculated on the basis of

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

the revenue it would have earned from BDB under this Agreement but for a breach by BDB of this Agreement.

21.8 Nothing in this Agreement shall exclude BDB's liability for death or personal injury caused by its negligence.

22. ASSIGNMENT AND SUB-CONTRACTING

22.1 This Agreement is personal to the parties hereto and neither may assign, transfer, charge or deal in any other manner with this Agreement other than as expressly set out below except that CTI shall be entitled to assign its rights to payments under this Agreement by way of security to any person providing finance to it or to any member of its Group subject to receiving BDB's prior written consent (such consent not to be unreasonably withheld).

22.2 Each of CTI and BDB shall be entitled to assign this Agreement to any wholly-owned subsidiary provided that:

22.2.1 the transferor procures that the transferee is bound by a direct covenant with the other party to observe all the terms of this Agreement and the obligations of the transferor contained in this Agreement if the transferee were a party to this Agreement; and

22.2.2 if any transferee ceases to be a wholly-owned subsidiary of the transferor, this Agreement will be transferred back to the transferor, or to a wholly-owned subsidiary of the transferor.

22.3 BDB may on notice to CTI assign this Agreement to any person holding a valid licence to provide multiplex services over the BDB Multiplexes providing that the proposed assignee enters into an legally binding covenant with CTI to be bound by and perform the obligations of BDB under this Agreement from the date of the assignment as if the assignee were party to this Agreement in place of BDB.

22.4 CTI may, with BDB's prior written consent, sub-contract any of its obligations under this Agreement (such consent not to be unreasonably withheld) providing that CTI procures that the sub-contractor complies with CTI's obligations under this Agreement as if it were a party to this Agreement in place of CTI. Nothing in this Clause 22.4 will relieve CTI of any of its liabilities or obligations under this Agreement.

23. INFORMATION AND CONFIDENTIALITY

23.1 Each party agrees and undertakes that during the Term, and thereafter, it will keep confidential and will not use for any purposes other than as contemplated in this Agreement or, without the prior written consent of the other, disclose to any third party the terms of this Agreement or any information of a confidential nature which is supplied to it under this Agreement or of which it becomes aware in the performance of this Agreement unless:

- 23.1.1 such information is required to be disclosed to the respective financiers of CTI or BDB, to members of their respective Groups or their shareholders, subject in each case to such companies or individuals agreeing that the information shall be confidential in terms substantially similar to this Clause 23.1;
- 23.1.2 such information is public knowledge, or subsequently becomes public knowledge, other than by breach of this Agreement;
- 23.1.3 such information subsequently comes lawfully into the possession of the party in question from a third party; or
- 23.1.4 the disclosure of such information is required pursuant to law, by any court of competent jurisdiction or any regulatory authority, including any recognised stock exchange or any taxation authority.

23.2 To the extent that it is necessary to disclose confidential information pursuant to the provisions of this Clause 23.2 or otherwise as is necessary to implement the provisions of this Agreement, either party may disclose any confidential information concerning this Agreement to its employees, agents, professional advisers or authorised sub-contractors on a "need-to-know basis"; provided that before any such disclosure such party shall make such persons aware of its obligations of confidentiality under this Agreement and shall at all times procure compliance by such persons with these obligations of confidentiality as if they were party to their Agreement.

23.3 CTI may not refer to this Agreement in any publicity or advertising material without first obtaining BDB's written consent.

24. NOTICES

24. Any notice to be served by either party shall be in writing and shall be sent to the following addresses:

CTI: Chief Executive Officer
CTI
Warwick Technology Park
Gallows Hill
Heathcote Lane
Warwickshire CN34 6TN
Fax No: 01926 416026

Copy to: Nick Davies
CTI
Warwick Technology Park

Gallows Hill
Heathcote Lane
Warwickshire CN34 6TN

BDB: Director of Operations
British Digital Broadcasting
c/o 25 Knightsbridge
London SW1X 7RZ
Fax No: 0171 663 6330

Copy to: Company Secretary
British Digital Broadcasting
c/o 25 Knightsbridge
London SW1X 7RZ
Fax No: 0171 663 6330

24.2 Any notice, invoice or other document which may be given by either party under this Agreement will be deemed to have been duly given if left at or sent by post (whether by letter or, where the parties agree in writing, in any other form) or facsimile transmission to the address and fax numbers to any other address or fax number to each other in writing in accordance with this Clause as an address to which notices, invoices and other documents may be sent. Any such communication will be deemed to have been made to the other party:

24.2.1 if sent by hand, when delivered;

24.2.2 if sent by post, 48 hours after the envelope containing such notice was posted; or

24.2.3 if sent by facsimile, when the transmission of the facsimile is confirmed delivered complete, if delivered on a Business Day, or, if not, at 9.30 a.m. (British Standard Time) on the next Business Day following transmission.

24.3 It is further agreed that notices sent by facsimile will also be confirmed by sending a signed copy by hand or by post, the copy to be posted or delivered within 24 hours of sending the facsimile.

25. [*]

25.1 [*]

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

25.2 [*]

25.3 [*]

25.4 [*]

25.5 [*]

25.6 [*]

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

25.7 CTI shall operate this Agreement in good faith.

26. RESTRICTIVE TRADE PRACTICES

26.1 If there are provisions of this Agreement (or of an agreement, or arrangement of which it forms part) by virtue of which particulars of this Agreement (or of an agreement of which it forms part) are, at the date of this Agreement required to be furnished to the Director General of Fair Trading under the Restrictive Trade Practices Acts 1976-1977:

26.1.1 The parties shall ensure that those particulars are furnished as soon as possible and in any event within the time specified by those Acts; and

26.1.2 Those provisions do not take effect until the day after those particulars have been furnished.

27. GENERAL

27.1 The failure to exercise or delay in exercising a right or remedy provided by this Agreement or by law does not constitute a waiver of the right or remedy or a waiver of any other right or remedy. No single or partial exercise of a right or remedy provided by this Agreement or by law prevents further exercise of the right or remedy or the exercise of another right or remedy.

27.2 A variation or amendment of this Agreement is valid only if it is made in writing and signed by or on behalf of each party.

27.3 Except where this Agreement provides otherwise, the rights and remedies contained in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

27.4 A party has no authority or power to bind, to contract in the name of, or to create a liability for the other party in any way or for any purpose.

27.5 This agreement together with the Equipment Purchase Agreement between Granada Group PLC, Carlton Communications pie and Castle Transmission International Ltd of even date herewith supersedes any previous written or oral agreement between the parties in relation to the matters dealt with in this Agreement including the

Memorandum of Understanding dated 4th August 1997 and, together with the Schedules and Annexures and any document incorporated by reference herein, contains the whole agreement between the parties relating to the subject matter of this Agreement.

27.6 The invalidity or unenforceability of any individual provision(s) of this Agreement shall not affect any other provision herein or render this Agreement invalid or unenforceable.

27.7 This Agreement is made between principals and shall not be deemed to create any partnership between the parties and neither party shall hold itself out as agent or partner of the other except as specifically contemplated under this Agreement.

27.8 In the event of any inconsistency between the general provisions of this Agreement and any of the provisions contained in any of the Schedules, attachments, annexures to it or to documents or agreements referred to in this Agreement, the provisions of this Agreement shall take precedence.

28. VALUE ADDED TAX

28.1 All sums due to either party under this Agreement are exclusive of VAT thereon, if any, which shall be charged in addition thereto in accordance with the relevant law in force at the time of making the relevant taxable supply and shall be payable by the paying party only against receipt from the other of a valid VAT invoice in respect thereof.

28.2 Where under this Agreement one party has agreed to reimburse or indemnify the other in respect of any payment made or cost incurred by the other, then the first party shall also reimburse any VAT paid by the other which forms part of its payment or costs incurred to the extent that such VAT is not available for credit for the other (or for the representative member of the other's VAT group) under sections 25 and 26 of the Value Added Tax Act 1994 (or any replacement or equivalent provision).

29. JURISDICTION

This Agreement will be governed by and construed and interpreted in accordance with English law, and the parties hereby submit to the exclusive jurisdiction of the English courts.

30. COUNTERPARTS

This Agreement may be executed in any number of counterparts each of which when executed and delivered is an original, but all the counterparts together constitute the same document.

SCHEDULE 1

CHANGE CONTROL PROCEDURE

PART I - CHANGES PROPOSED BY CTI

1. If CTI proposes any changes to this Agreement or any of the Services then CTI must submit to BDB a document (a "CHANGE REPORT") describing the suggested changes, and detailing:
 - 1.1 the reason for the proposed change;
 - 1.2 any impact the change may have on the timing for provision of any Services under this Agreement and whether, for example, but without limitation, it will have an effect on any Ready for Service Date and Start of Service Date;
 - 1.3 any impact the change would have on the costs of implementing and providing the Services and the Charges payable under this Agreement;
 - 1.4 a description of the benefits that the change would make to the provision of the Services, if any; and
 - 1.5 any other changes that would be required to any aspect of this Agreement if the change were implemented.
2. Within 10 Business Days of receipt by BDB of a notice under paragraph 1, BDB and CTI shall discuss in good faith the proposed change with a view to agreeing whether to amend this Agreement. Pending an agreed change this Agreement shall continue unamended.
3. CTI shall nominate a representative who will act as a single point of contact, and take responsibility for progressing change requests whether made by CTI or BDB.

PART II - CHANGES PROPOSED BY BDB

4. If BDB at any time proposes changes to this Agreement or the Services then:
 - 4.1 Within 20 Business Days of receipt of a notice from BDB proposing a change, CTI must submit to BDB a Change Report detailing the matters set out in paragraphs 1.1 to 1.5 of Part I of this Schedule.
 - 4.2 Within 10 Business Days of receipt by BDB of a Change Report under paragraph 4.1 of Part II of this Schedule, the parties shall discuss in good faith

the proposed change with a view to agreeing whether to amend this Agreement. Pending an agreed change this Agreement shall continue unamended.

- 4.3 All change requests must be authorised by the BDB Director of Operations or his nominee from time to time notified to CTI.

SCHEDULE 2

THE CHARGES

PART I - SCHEDULE OF CHARGES

YEAR	TRANSMISSION SERVICES' CHARGES	TOTAL CHARGES
	(Pounds)000S	(Pounds)000S
1997	[*]	[*]
1998	[*]	[*]
1999	[*]	[*]
2000	[*]	[*]
2001	[*]	19,285
2002	[*]	19,307
2003	[*]	19,310
2004	[*]	19,314
2005	[*]	19,317
2006	[*]	19,321
2007	[*]	19,324
2008	[*]	19,732
2009	[*]	[*]
2010	[*]	[*]
TOTAL	[*]	[*]

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PART II - ANNUAL RPI INCREASES

The Charges set out in Part I of this Schedule (the "UNADJUSTED CHARGES") are shown before the effect of increases calculated in accordance with this Part II.

With effect from each anniversary of 1 January 1998 (the "REVIEW DATE") the Unadjusted Charges shall be subject to RPI review and shall be increased by an Adjustment Factor as set out below.

An "ADJUSTMENT FACTOR" is calculated for each calendar year starting with a value of 1 on 1 January 1998. The Adjustment Factor for the year commencing at each Review Date is calculated by increasing the Adjustment Factor for the previous calendar year by the Adjusted Rate of Inflation (as defined below). The Charges for the current calendar year are calculated by multiplying the figure for the Unadjusted Charges in respect of that year set out in Part I of this Schedule by the Adjustment Factor.

The "ADJUSTED RATE OF INFLATION" shall be calculated by [*] the Rate of Inflation.

The "RATE OF INFLATION" shall be calculated as follows:

$$\text{Rate of Inflation} = \frac{A - B}{B} \times 100 \quad (\text{shown as a percentage amount})$$

Where A = RPI at 31 December, immediately prior to the Review Date

B = RPI at 31 December, 12 months preceding the Review Date

All the above can be written as a formula:

$$\text{Current year Charges} = \text{Unadjusted Charge set out in Part I of this Schedule} \times \text{Adjustment Factor}$$

where:

$$\text{Adjustment Factor} =$$

$$\text{Adjustment Factor for previous calendar year} \times \left(1 + \frac{A - B}{B} \text{ [*]}\right)$$

and

$$\text{Adjustment Factor for the first calendar year of the Term} = 1$$

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In the event that RPI is reset or no longer published, the above calculation will be replaced with an equivalent formula which will result in the same Adjusted Rate of Inflation as would have been achieved had the RPI remained available or not been reset as the case may be.

If in recalculating the Charges prior to the 5/1/ Anniversary of 1 January 1998 the Rate of Inflation shall exceed [*], but shall not exceed [*], then [*] shall be deemed to be the Rate of Inflation for the purposes of calculating the Charges for the year in question. If in such recalculation of the Charges, the Rate of Inflation shall exceed [*] then the parties shall renegotiate in good faith and on an open book basis the [*] deemed Maximum Rate of Inflation to be applied in calculating the relevant Charges.

PART III - [*]

[*]

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[*]

PART IV - THE CONTINGENCY

The Charges have been calculated with the inclusion of an amount of [*] (the "CONTINGENCY AMOUNT").

The Contingency Amount is intended to be utilised by CTI in defraying unforeseen or increased costs to the extent that such increased or unforeseen costs have not been defrayed by CTI from savings pursuant to Clause 17.7. If by a date falling three months after the last Station comes into Operational Service (excluding any Additional Stations, unless otherwise agreed by the Parties) there shall remain unutilised any balance of the Contingency Amount in respect of any identified category of expenditure, the balance shall be utilised to provide a

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reduction in the Charges in a manner to be agreed between the parties failing which it will be set off against the charges pro-rata for the remainder of the Term.

PART V - BASIS OF CHARGING [*]

PART VI - THE WTA LICENCE FEE

To the extent that any licence fees are payable by CTI in respect of any WTA Licences relating solely to the operation of the BDB Multiplexes:

- 1.1 shall exceed [*] per annum per BDB Multiplex then the Charges in respect of the year in which the WTA Licence fee is payable shall be increased by an amount equal to that excess; or
- 1.2 fall short of [*] per annum in the first full year following the last Station coming into Operational Service (excluding any Additional Stations, unless otherwise agreed by the parties) or any subsequent year in which the WTA Licence fee is payable per BDB Multiplex then the Charges in respect of that year shall be reduced by an amount equal to the shortfall.

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SCHEDULE 3 CONFIGURATION OF THE NETWORK

PART I - DISTRIBUTION

Multiplex distribution provides resilient terrestrial circuits from the Multiplex Centre to each of the 81 transmitting stations.

The circuits will be provided by BT on behalf of CTI, and will comprise diversely routed dual fibre circuits carrying three multiplexes to BT network access points. At these access points the BDB signals will be combined with those from other DTT multiplex operators for onwards delivery via a common network.

Interfaces will be provided at the Multiplex Centre to enable transport streams with different programming to be fed independently to six "macro regions". This facility will be provided for multiplexes B, C and D. The Stations within each macro region will be as for Multiplex 2 unless otherwise agreed by the parties through the Change Control Procedure.

NETWORK TECHNOLOGY & RESILIENCE

Terrestrial circuits will be designed to provide availabilities of 99.99% through the use of optical fibre circuits. This diversity will be maintained throughout the network, such that there are no common points of failure. At a few of the very remote sites, where the provision of dual optical fibre paths is not practicable, service may be provided on duplicated digital radio links, engineered to the same level of availability.

The network will consist of circuits providing connectivity from the local BT network nodes to the transmitter sites. These circuits will be provided specifically for this purpose on dedicated optical fibres. To maintain resilience upon the failure of a single incoming circuit, the line-termination plant will be configured to provide 'cross protection', such that upon the failure of one incoming circuit, the remaining diverse feed will feed both halves of the core network or transmitter input equipment.

A core national network, providing interconnection between the BT nodes, will be provided on existing BT digital line plant using SDH technology. The automatic re-routing capabilities of BT's SDH network will ensure that full diversity is restored automatically should any individual element of the core network fail.

TOPOLOGY

Although a common delivery network will be utilised, aggregation with other broadcasters signals will be carried out at BT network nodes, and BDB's signals will not be routed via any other broadcasters premises. The multiplexes, as originated from the Multiplex Centre, will be delivered to each of the primary sites listed below. Where any secondary Sites are shown these will be fed via the primary Sites, from the output of the SI processing equipment.

SCHEDULE 3 - TABLE 1; SI Processing Primary and Secondary Stations

PRIMARY SITE	SECONDARY SITES
Belmont	None
Bilsdale	None
Black Hill	Rosneath, Darvel, Torosay.
Bluebell Hill	Dover.
Caldbeck	None
Caradon Hill	Plympton.
Craigkelly	None
Crystal Palace	Reigate, Guildford, Hemel Hempstead.
Divis	Limavady, Brougher Mountain.
Durris	Angus, Knockmore, Rosemarkie, Eitshal, Rumster Forest, Kellylang Hill, Bressay.
Emley Moor	Idle, Keighly, Oliver's Mount.
Fremont Point	None
Hannington	None
Heathfield	Hastings.
Huntshaw Cross	None
Mendip	Ilchester Crescent, Kings Weston Hill.
Midhurst	Whitehawk Hill.
Oxford	None
Pontop Pike	Fenham, Chatton.
Redruth	None
Ridge Hill	None
Rowridge	Salisbury.
Sandy Heath	None
Selkirk	None
Sheffield	Chesterfield.
Stockland Hill	Beacon Hill.
Sudbury	None
Sutton Coldfield	Fenton, The Wrekin, Bromsgrove, Brierley Hill, Malvern, Larkstoke.
Tacolneston	None
Tunbridge Wells	None
Waltham	Nottingham.
Wenvoe	Pontypool, Aberdare, Kilvey Hill, Carmel, Presely, Blaenplwyf, Llanddona, Moel-y-Parc.
Winter Hill	Lancaster, Pendle Forest, Storeton, Saddleworth.

The transmitter input system at the secondary sites will consist only of duplicated COFDM modulators since the incoming transport stream will contain the correct SI information from the associated primary station.

NETWORK MONITORING AND MANAGEMENT

The service will be provided as a fully managed network and CTI will have on-line access to the BT network management system providing details of the network status. This will allow rapid fault diagnosis and escalation, together with reporting to BDB as provided in Clause 14.

At the BDB Interface, BDB's multiplex streams will be tagged with a unique identification header, which will remain with the stream until the final point of delivery. This will enable the terminating equipment to ensure that the correct BDB stream is being delivered to the transmitters at all times, and take appropriate executive action in the case of any equipment faults or configuration errors.

PART II - [*]

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SCHEDULE 3 - TABLE 2 LIST OF STATIONS WITH SINGLE COMBINING SYSTEMS

Station	Affected BDB Multiplex(es)
Aberdare	[*]
Brierley Hill	[*]
Bristol Ilchester Crescent	[*]
Bromsgrove	[*]
Fenham	[*]
Fenton	[*]
Hastings	[*]
Larkstoke	[*]
Malvern	[*]
Olivers Mount	[*]
Salisbury	[*]
Tunbridge Wells	[*]
Whitehawk Hill	[*]
Chesterfield	[*]
Idle	[*]
Lancaster	[*]
Nottingham	[*]
Pendle Forest	[*]
Plympton	[*]
Rosneath	[*]
Saddleworth	[*]

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STRUCTURAL ENGINEERING

Either new structures will be provided for DTT antennas or existing structures will be strengthened where necessary to accept additional load.

BUILDING

New or modified buildings will be provided to accommodate the equipment for all multiplex operators.

At each Station other than those referred to below, each multiplex operator's plant will be housed in a discrete area, classed as an independent fire cell for isolation, with secure access via a common corridor shared with the other operators.

At the following Stations all multiplex operators equipment will be housed in secure housing separate from other transmission equipment: Aberdare, Brierley Hill, Bristol Ilchester Crescent, Bristol Kings Weston, Bromsgrove, Chesterfield, Fenham, Fenton, Guildford, Hastings, Hemel Hempstead, Idle, Keighley, Lancaster, Larkstoke, Malvern, Nottingham, Oliver's Mount, Plympton, Pontypool, Reigate, Rosneath, Saddleworth, Salisbury, Sheffield, Storeton, Tunbridge Wells, Whitehawk Hill.

At Crystal Palace multiplex B shall be housed in an independent fire cell, multiplexes C and D shall be housed together in an otherwise independent fire cell. At Rowridge, Multiplexes B, C and D shall be housed together in an otherwise independent fire cell.

POWER

All DTT Stations will have dual electricity supplies, except for those listed in the table below:

SCHEDULE 3 - TABLE 3 : Stations with Single Power Supply Feeds

Aberdare	Eitshal	Kilvey Hill	Pontypool
Bilsdale	Fenham	Knockmore	Reigate
Bressay	Fenton	Lancaster	Rosneath
Brierley Hill	Fremont Point	Larkstoke	Saddleworth
Bristol Ilchester Crescent	Guildford	Llanddona	Salisbury
Bristol Kings Weston	Hastings	Malvern	Storeton
Bromsgrove	Hemel Hempstead	Nottingham	Torosay
Brougher Mountain	Idle	Oliver's Mount	Tunbridge Wells
Chatton	Keelylang Hill	Pendle Forest	Whitehawk Hill
Chesterfield	Keighley	Plympton	

CTI will install new DTT auto-start, auto-changeover diesel generators at all stations. These will be containerised where planning regulations allow and will have sufficient fuel for a minimum of 24 hours full-power operation.

Duplicate power distribution will provide resilience for fault conditions or maintenance activity.

UPS units will be provided to protect individual key items of equipment within the transmitter input system as appropriate.

SCHEDULE 3 CONFIGURATION OF THE NETWORK

PART IIA - SI DATA INTERCHANGE

SYSTEM REQUIREMENTS

It is specified in the D Book that 'each multiplex must carry certain SI information for certain other multiplexes', in particular Event Information Table entries.

[*]

Where the regional SI permutation is appropriate to other Sites in the locality, the modified transport streams will be delivered onwards to those Sites via the Distribution Network.

SYSTEM OVERVIEW

[*]

All of the acquired SI, along with the SI relating to the BDB multiplex, will be collated and reinserted into the outgoing transport stream.

The SI Collation System ("SICS") will be configured to ensure that appropriate bit-rate will be apportioned to the 'Other multiplex' table data within the stream in accordance with the recommendations of the D-Book ("GUARANTEED BANDWIDTH"). The SICS will also ensure that the incoming 'Other multiplex' data conforms to 'D' Book technical standards ("QUALIFYING DATA"), rejecting data as necessary to ensure the integrity of the 'Actual' multiplex.

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[*]

EQUIPMENT SUPPLIER

The Charges in Schedule 2 are based on the use of Phillips equipment to provide SI and related functions. If BDB does not chose Phillips as its system integrator then it may not be appropriate to use Phillips equipment and the Charge Control Procedure shall apply.

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SCHEDULE 3 CONFIGURATION OF THE NETWORK

PART III - MONITORING AND CONTROL

The Network has been designed for unattended operation. CTI will use automatic monitoring facilities at all Stations as a means of measuring compliance with the technical performance parameters of the DTT Transmission Service.

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SCHEDULE 3 CONFIGURATION OF THE NETWORK

PART IIIA - NETWORK STATUS SYSTEM

A Network Status System will be provided to BDB to display the current status of the Network.

A dedicated Kilostream circuit will be provided from the TOC to the BDB Multiplex Centre. A personal computer and network equipment will also be supplied as part of the Network Status System.

The following diagram outlines the proposed system:

[Diagram illustrating the configuration of the BDB network]

APPLICATION

An application, based upon a graphical user interface, will be supplied to access the database and provide a graphical overview of the Network, as well as showing more detail on individual Stations when required.

A dedicated database will be provided to hold a subset of the alarm and current status of all the DTT transmitting stations. This status database will be kept to within thirty seconds of the status that is known at the TOC system. The database will also hold service messages for at least the preceding 18 months. These can be used for ad-hoc queries and service level confirmation.

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SERVICE LEVEL

The data circuit, database and graphical user interface application will form part of the Service and will be the responsibility of CTI. The monitoring of this circuit and PC will be incorporated into the TOC system and a watchdog system will be used to ensure that any loss of the monitoring facility is detected.

Throughout the life of the system CTI will make all reasonable endeavours to ensure compatibility with current industry-standard operating systems.

SECURITY

CTI will provide suitable systems to protect the networks of both organisations. This will include electronic firewalls on the telecommunications links and virus checking on the BDB Network Status system computer.

BDB will need to maintain the physical security for the system to protect it against local attack.

FUNCTIONAL DESIGN

A detailed functional design specification for the Network Status System will ensure that any reasonable requirements of BDB are met within the constraints of the CTI TOC system.

SCHEDULE 4

SERVICES PROVIDED BY CTI

GENERAL

QUALITY

CTI's operation is governed by a quality management system that is accredited to ISO 9001.

As far as possible, CTI expects suppliers to operate under similar quality arrangements.

CTI staff are chosen with appropriate skills and are kept up to date with training, as needed, in new techniques and systems.

SAFETY

CTI's internal Safety Policy (the "Safety Policy") fulfils the company's legal requirement under the Health and Safety at Work Act 1974.

The Safety Policy is carried out through a series of Company Safety Instructions under the auspices of a full-time Company Safety Adviser (CSA).

All staff receive relevant training to carry out their jobs in accordance with the Safety Policy. Such training is under continual review.

PART I - DESIGN AND PROCUREMENT

PROJECT MANAGEMENT

The following personnel are responsible for provision of the Network:

Principal Account Manager:

- . acts as primary point of contact between BDB and CTI for both Project and Service delivery issues.

Project Manager:

- . responsible for provision of Network infrastructure; and
- . co-ordinates inter-site and on-site activities of project contributors.

Technical Manager:

- . ensures technical compatibility of Network elements; and
- . ensures, compatibility of the Service with customer and industry expectations.

Project schedules will be created and maintained under review for each site an which there is project work in progress. From these a 'super-project' plan will be maintained to co-ordinate intrasite activities.

The Project Manager will have direct access to all the relevant Resource Heads to ensure provision of relevant resources.

Project meetings and systems architecture meetings will be hold regularly to ensure cross-specialism, co-ordination and compatibility.

PROGRESS REPORTING

CTI will present a two weekly progress report to BDB. This report to will be in the form of a project schedule. This will be in a software format compatible with the project planning system used by BDB.

There will in addition be a brief narrative highlighting the main issues associated with particular activities or sites.

RISK

CTI's risk management principles are encompassed in CTI's quality procedures. The discipline is based on risk identification, analysis, mitigation and management as an iterative process. This process will be managed by the Project Manager and the Technical Manager.

PART II - OPERATIONS

SERVICE DELIVERY

Delivery of the service will be the responsibility of the Head of Operations, who is:

- . responsible for provision of an effective operations and maintenance system nation wide; and
- . responsible for ensuring service level provision compliant with relevant contractual requirements.

TECHNICAL OPERATIONS CENTRE (TOC)

CTI has in place a TOC and this is the hub of CTI's network operations, monitoring and management capability. It offers a full 24 hour, 365 day facility staffed by specialist technical, managerial and operational staff. The TOC back-up site at Sutton Coldfield provides technical resilience and geographical separation.

Provision of a 24-hr TOC operation is the responsibility of the TOC Manager, who ensures that TOC procedures are commensurate with service level provision.

The TOC will be equipped with the following systems:

- . a supervisory control and dam acquisition system (SCADA);
- . a management information system (MIS) and wide area private data network;
- . a wide area networked maintenance personnel despatch system;
- . a Network Status System; and
- . a standby power supply system with diesel generator and UPS.

The transmitting stations will operate unattended with remote monitoring fully integrated into the TOC. The TOC will initiate operational response to potential and service-affecting faults in accordance with the provisions of Schedule 9 and the Contracted Availability. The required operational support will be supplied from one of a number of team bases which are located at various points throughout the UK.

Alarm from the DTT monitoring equipment will arrive in the TOC and priorities will be automatically assigned. In addition suspected problems may be reported to the TOC from other sources. All such occurrences will be recorded and dealt with accordingly via a pre-defined escalation procedure.

The TOC will provide operational information and statistics to meet the performance monitoring and reporting requirements set out in Clause 14.

REMOTE CONTROL

The Duty Engineer or nominated deputy Engineer will be the only persons in the TOC authorised to Initiate any control action.

CTI TEAM BASE MONITORING

All team bases will be equipped with receive systems for DTT. They will be able to check (on an ad-hoc basis), the output from those stations which are receivable at that base.

TV DEALER MONITORING

The TOC has an existing network of TV dealer contacts that are used to confirm TV and radio reception and this facility will be extended for DTT reception where practicable.

VIEWER MONITORING

At least one nominated audience contact for each DTT station will have direct telephone access to the TOC to enable reporting of suspected problems and to allow the TOC to contact them to confirm problems reported from another source.

PART III - MAINTENANCE

FAULT REPAIR AND RECORDING

The first priority of maintenance staff will be to ensure that the service is restored. The next priority will be to restore system redundancy by repairing reserve or standby equipment. Fault rectification will usually be by replacement of faulty units or modules.

Fault repair down to component level will usually be done at Daventry (see below).

A database of fault history will be maintained to identify any trends with a view to improving system reliability.

ROUTINE MAINTENANCE

Any necessary routine maintenance will be carried out by maintenance staff on an "as necessary" basis. The frequency of such work will be determined by condition monitoring and analysis of the database of fault history.

Routine maintenance will be planned in such a way that the outgoing service is unaffected by the activity. Any work which is service-affecting will be carried out under the Planned Work regime (below).

PLANNED WORK

The number of DTT channels sharing antenna systems will make planned outages and switching breaks more difficult to negotiate in future. Antennas shared between analogue and digital services present even greater difficulty.

CTI are committed to the formulation of an agreed CTI/NTL rolling 12 month planned work programme for structural maintenance. To that end a formalised negotiation method is proposed within the following guidelines:

- . ensure that a clear need for the work to be done can be shown;
- . parallel negotiations between identified points of contact within each organisation to minimise the time taken to reach agreement;
- . a rotating 'veto' system, ensuring fair and equitable treatment of all requests;
- . agree with each operator those programme periods that they regard as highest priority; and
- . equalisation of the effects of planned work on all services at a particular station.

DAVENTRY CENTRAL MAINTENANCE FACILITIES

CTI has a central maintenance and supply facility at Daventry which operates on the following principles:-

- . repair of equipment down to component level.
- . work is done under controlled conditions by experienced staff; and

- . a central store of spare units and parts is maintained to support field requirements.

It provides additional support including a fast turn-around modular repair service, parts purchasing, a spares control/delivery system and a test equipment calibration service.

SPECIALIST SUPPORT

The existing callout procedure will be expanded to include out of hours support for maintenance teams.

An escalation procedure will ensure that an appropriate level of support is available for all incidents. This will be implemented via the TOC which will maintain a schedule of engineers who have specialised knowledge of nominated systems and equipment used in the Network. These engineers will come from CTI's Operations and Engineering departments as well as external organisations contracted to provide support where necessary. The escalation procedure will include CTI's senior management who will ensure that appropriate resources are deployed rapidly to resolve any relevant problem.

PART IV - CUSTOMER SUPPORT

SERVICE PLANNING SUPPORT

CTI will provide support to BDB as follows:

- . liaison with NTL and BBC R&D as necessary;
- . consultation with the ITC and RA as appropriate; and
- . advice on subscriber coverage issues. (This will include a telephone hotline which will operate 09:30 to 17.30 Monday to Friday, with backup from the TOC at other times. The TOC will call on specialist engineering support to deal with urgent enquiries when necessary, on an ad-hoc basis.)

CTI will deploy additional resources from its partner TDF as necessary.

DTT SURVEYS

CTI will survey DTT coverage by actual measurement of field strength at early installations, concentrating on areas where coverage is predicted to be marginal. The CTI prediction models will then be refined iteratively using measured data to a level where further verification is deemed unnecessary by both parties. Predictions will take due account of the degree of interference to be expected as the network expands.

CTI will verify that now DTT transmit antennas as installed will comply with the relevant Template.

This shall be achieved by electrical and mechanical tests and inspections of the antenna, on works acceptance and as a part of installation commissioning. This work will conform with current best industry practice.

CTI will make the results of these tests available to BDB. BDB reserves the right to carry out independent tests to verify compliance with the relevant Template.

In order to be able to verify that field strength remains stable over time, a series of reference measurements will be made at agreed locations.

CTI will make additional support available for service coverage measurements when requested by BDB in accordance with the rate card arrangements in Clause 9.5.

TEST TRANSMISSIONS AT EARLY STATIONS

Prior to the launch of service CTI shall provide early test transmissions to an agreed timetable at an agreed (small) number of Stations. The purpose of these transmissions is to provide early verification of planning tools and assumptions and to provide a source of signals for receiver testing. The format and content of these transmissions is to be agreed between CTI and BDB.

Routine Test Transmissions will be provided at all Stations as part of the commissioning and acceptance process.

SOURCE EQUIPMENT

Prior to the availability of Distribution Network feeds at the test Stations, CTI will provide temporary source equipment as necessary to ensure that Test Transmissions can take place. CTI have included costs for up to [*] for the provision of the necessary source equipment. Purchase of additional equipment will be dealt with under the Change Control Procedure. The format of this equipment and the storage medium used will be agreed between CTI and BDB. Any programme material required for Test Transmissions will be provided by BDB in an agreed format.

As the Distribution Network becomes available the Test Transmission signals will be inserted by CTI at the BDB Interface using equipment similar to that provided at the Stations. At an agreed time, prior to the first start of Site Service Date, BDB shall make signals suitable for transmission available at the BDB Interface.

TEST BED

CTI will continue to support the development of DTT systems using testbed facilities at Sutton Coldfield to test new equipment and systems.

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SCHEDULE 5

TRANSMISSION TESTING

PART I - ACCEPTANCE TEST SPECIFICATION

PARAMETERS & LIMITS
- - - - -

This table details the test parameters, methods of measurement and limits applicable.

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PART II - TRANSMISSION FAULT THRESHOLDS

For acceptance testing CTI shall demonstrate that exceeding the thresholds in the table below results in the appropriate executive actions (e.g. changeovers) and that the relevant alarms are raised at the TOC.

For the purposes of this Agreement the Transmission Fault Thresholds are as follows:

SCHEDULE 5 - TABLE 2 Transmission Fault Thresholds

[*]

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SCHEDULE 6

THE BDB INTERFACE AND HANDOVER REQUIREMENTS

PART I - DISTRIBUTION

ACCOMMODATION

CTI will require secure accommodation within the Multiplex Center for the installation of the circuit terminating equipment, and any associated monitoring (the "CTI Area"). Provision is required for two PTO racks (separate A&B systems) and one CTI rack. BDB shall be responsible for maintaining the ambient temperature within this CTI Area between +10 degrees celsius and +30 degrees celsius, by appropriate means. The area shall be sufficient to provide front and rear access to the PTO racks for maintenance and be adequately illuminated to allow repair of electronic equipment in the racks.

POWER REQUIREMENTS

Each of the racks will consume up to 500w from a 230vAC supply provided by BDB. In order to ensure full redundancy, the power for the "A & B" racks shall be provided from diversely derived supplies, such that a single failure in the power distribution system will not cause both supplies to fail simultaneously. Should BDB choose to protect the supplies to the multiplex equipment with locally generated or UPS supplies, then this level of protection shall also be provided to the CTI interface area. A suitable technical earth is also required.

In addition to the equipment supplies, a minimum of four 'general purpose' 13A sockets shall be provided adjacent to the racks for the connection of test equipment.

TELECOMMUNICATIONS REQUIREMENTS

The distribution circuits from the CTI Area require diverse optical fibre routing to the PTO network with an agreed practicable separation within the building until they approach the CTI Area, thereafter a reduced practicable separation shall be provided. Either a PSTN Direct Exchange Line or an extension of the BDB multiplex centre telephone system will be required within the CTI area.

ACCESS ARRANGEMENTS

CTI& BDB shall agree on a system such that necessary maintenance personnel can gain access to the CTI Area for the diagnosis and correction of equipment faults, on the production of an appropriate identification. Access is required on a 24hr/365 day basis, and includes PTO staff unaccompanied by CTI for the correction of circuit faults but will be subject to an agreed operational procedure.

TRANSPORT STREAM PRESENTATION

Each of the three groups of six macro region transport stream multiplexes shall be a single presentation in an agreed ASZI format.

Due to availability and reliability considerations, CTI do not propose to regenerate the transport stream prior to connection to the terrestrial circuit interface.

Each transport stream provided at the interface point will be at an agreed bitrate.

PART II - NETWORK STATUS SYSTEM

For a detailed description of the Network Status System please refer to Schedule 3 Part IIIa.

ACCOMMODATION

The Network Status System will require BDB to provide dedicated desk space in a secure and environmentally controlled area for the following items:

- . personal Computer;
- . network router (including electronic firewall);
- . monitor (17");
- . keyboard and mouse; and
- . inkjet Printer (consumables will be provided by BDB at its own cost).

POWER REQUIREMENTS

BDB shall provide six mains outlets (total maximum load greater than 13A) on the desk that will carry the Network Status System computer and other hardware.

A maintained mains outlet shall also be provided by BDB for the Kilostream circuit.

TELECOMMUNICATIONS REQUIREMENTS

CTI will require the following circuits to be installed in the Multiplex Centre in the vicinity of the Network Status System location.

- . BT Termination for 64k Kilostream circuit; and
- . BT Termination for ISDN 2 circuit.

Connection and rental charges for these circuits shall be met by CTI.

SCHEDULE 7

CALCULATION OF DELAY REBATES AND SERVICE CREDITS

PART I - ILLUSTRATION OF RELATIONSHIP BETWEEN DATES

The following diagram illustrates the relationship between the types of the date specified in the Contract.

[Diagram which illustrates the relationship between the types of the date specified in the Contract]

Contractual Review of Dates	See Clause 4.3.
Ready for Test Transmission date:	DTT Station ready to transmit and associated analogue transmitter work complete at all relevant Stations.
Ready for Service date:	As defined in the Agreement
Start of Service date:	As defined in the Agreement

PART II - CALCULATION OF DELAY REBATE

Table 2 lists the Daily Charges which apply under the circumstances specified in Clause 6.

In order to calculate the Delay Rebate, the numbers of days from the relevant Ready for Service Date to the Actual Site Service Date Inclusive ("Days of Delay") shall be calculated in accordance with Clause 6 and entered into Table 3. The Delay Rebate for each Station shall be entered on the table by multiplying the Days of Delay and the Daily Charge.

In the case of one BDB Multiplex being delayed, the Delay Rebate shall be the same as if all BDB Multiplexes have been delayed at that site.

Table 3 shall be completed each Year for all Station which reach their Actual Site Service Date in that Year. The Total Delay Rebate for that year (the sum of the column, shown on the last line of Table 3), shall be subtracted from CTI's first monthly invoice in the following year.

PART III - CALCULATION OF SERVICE CREDITS

Service Credits become payable if Accountable Availability falls below [*], except in the case of Bressay, Eitshal, Keelylang, Hill and Torosay where Service Credits become payable if Accountable Availability falls below [*].

DERIVATION OF ACCOUNTABLE AVAILABILITY

$$\text{Accountable Availability} = \frac{A-B}{A} \times 100\%$$

Where:

A = Total number of minutes in the previous six months

B = Total number of minutes in the previous six months during which performance is worse than the Service Shutdown Threshold as defined in Schedule 5 Part II, arising other than as a result of Non-Accountable Conditions. This is defined as Minutes Lost.

For each of the first five months after Start of Service, Accountable Availability shall be calculated over the previous six months by treating performance prior to Start of Service as always exceeding the Service Shutdown Threshold i.e. the contribution to variable B in the above equation for those months shall equal zero.

The following are Non-Accountable Conditions:

- a) a Force Majeure Event;
- b) extreme weather conditions affecting traveling to any remotely located Station;
- c) a delay of no more than [*] in re-establishing the Services when switching to standby equipment;
- d) a delay of no more than [*] in re-establishing the Services when switching to alternative power supplies;
- e) interruption for essential or planned works on mast structures, GRP cylinders and stays made in compliance with Clauses 15.1 or 15.2. The timing and length of each interruption shall be agreed by the parties as set out in Schedule 4 Part III;

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

- f) frequency planning or international frequency clearance issues;
- g) incidents arising as a result of known and previously agreed fundamental equipment design deficiencies which cannot be immediately rectified, from the date at which the deficiency is identified and agreed by the parties, to the date agreed for rectification;
- h) compliance with the mandatory requirements of any law, any national or supranational regulatory authority, the Radio Regulations or any statutory obligations;
- i) planned and previously agreed interruptions to undertake modifications to the DTT Transmission Network required by BDB and/or legal or regulatory bodies such as the Radio-communications Agency and the Independent Television Commission, unless the interruption is required to remedy a situation arising due to the fault or omission of CTI, its agents or sub-contractors;
- j) where invasive tests are required by BDB, such as the measurements of group delay, provided that the results meet the Technical Specifications.
- k) any failure or degradation of the signal or message comprising the BDB Signals from the BDB Interface to the CTI interface;
- l) any material breach of this Agreement by BDB (or any act or omission of it or its agents or sub-contractors) to the extent that it prevents or impedes the performance of CTI's obligations to provide the Distribution Service and DTT Transmission Service; and
- m) where any of the relevant part of the Network is requisitioned, taken over or used pursuant to the exercise of any Emergency Powers.

Account Availability shall be calculated at the end of each month, for each BDB Multiplex at each of the sites listed in Table 3. The result shall be sent to BDB by the 7th day of the following month.

NON-COMPLAINT SERVICE

Each BDB Multiplex at each site which has an Accountable Availability result of less than [*], shall be deemed a Non-Complaint Service ([*])

At the end of each month, a Service Credit amount shall be calculated for each Non-Complaint Service.

The value of the Service Credit shall be related to the severity of the service loss, by taking account of the time of day when the performance was worse than the Service Shutdown Threshold, and the population served by the Non-Complaint Service. This shall be achieved through the use of adjustment and weighting factors in Tables 1, 2 and 3.

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

CALCULATION OF SERVICE CREDITS

Each month, the total Minutes Lost by a Non-Complaint Service during the previous six months shall be entered into the second column of Table 1, with separate figures for losses during each hour of the day. Each figure shall then be multiplied by the corresponding Time Adjustment Factor to give Unweighted Service Credits, which are totalled to give the Unweighted Service Credit Total. The Service Credit shall be calculated by inserting the relevant Station Weighting Factor from Table 3 and multiplying it by the Unweighted Service Credit Total.

Format of Table 1

The figures in italics are for illustration and they are included in order to demonstrate that 60 minutes complete loss of service from one multiplex at Crystal Palace during peak time will result in a Service Credit payment of [*]. This total will accrue because the 60 minute loss of service will be included on the table below for six consecutive months, giving six payments of [*].

The table shows a 60 minutes loss of service between 21:00 and 22:00. The time lost, in minutes, is entered in the second column and multiplied by the Time Adjustment Factor in the third column (100 in this case) to achieve a monetary Unweighted Service Credit as shown. The Unweighted Service Credits are totalled down the column (S) and multiplied by the Station Weighting Factor to obtain a Service credit of [*].

STATION 7 - TABLE 1

EXAMPLE OF SERVICE CREDIT CALCULATION

[*]

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

SERVICE CREDITS FOR SIMULTANEOUS FAILURE AT MORE THAN ONE STATION

If a single distribution failure results in more than one Station having a Non-Complaint Service, then Service Credits with respects to this simultaneous failure at more than one Station shall be calculated as follows, instead of using Station Weighting Factors from Table 3:-

Unweighted Service Credits shall be calculated using Table 1 and then the Unweighted Service Credit Total shall be multiplied by the relevant Service Weighting Factor given in Table 2, to derive the Service Credit.

SCHEDULE 7 - TABLE 2 - Service Weighting Factors

[*]

For the purposes of this Table only the population served shall be the gross population figures for the relevant multiplexes at the relevant Stations, as defined by the ITC from time to time.

TIMING OF SERVICE CREDIT PAYMENTS

A Service Credit payment shall be made one per Year only and it shall be in the form of a reduction in CTI's first monthly invoice for the Year. The amount of the reduction shall equal the total of Service Credits calculated during the previous Year.

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

REDUCTION DURING THE INITIAL PERIOD

During the first three months after Start of Service, each Minute Lost will be reduced by 50% before entering the resultant figures into Table 1. This reduction is subject to one month "burn in" period being available prior to Start of Service date. Should this period not be available then the reduction is decreased in proportion e.g. two weeks "burn in" equates to six weeks reduction.

SCHEDULE 7 - TABLE 3 STATION WEIGHING FACTORS AND DAILY CHARGES

The table shows two values for each Station, the Daily Charge P. used in Daily Rebate calculations, and the Station Weighting Factor used in Service Credit calculations.

SCHEDULE 7 - TABLE 3 SHEET 1 OF 3

STATION	DAYS OF DELAY D	DAILY CHARGE P (Pounds)	DELAY REBATE = D X P (Pounds)	STATION WEIGHING FACTOR (TO BE INSERTED IN TABLE 1, FOR SERVICE CREDIT CALCULATION)
Aberdare		[*]		[*]
Angus		[*]		[*]
Beacon Hill		[*]		[*]
Belmont		[*]		[*]
Bilsdale		[*]		[*]
Black Hill		[*]		[*]
Blaenplwyf		[*]		[*]
Bluebell Hill		[*]		[*]
Bressay		[*]		[*]
Brierley Hill		[*]		[*]
Bristol Ilchester Crescent		[*]		[*]
Bristol Kings Weston		[*]		[*]
Bromsgrove		[*]		[*]
Brougher Mountain		[*]		[*]
Caldbeck		[*]		[*]
Caradon Hill		[*]		[*]
Carmel		[*]		[*]
Chatton		[*]		[*]
Chesterfield		[*]		[*]
Craigkelly		[*]		[*]
Crystal Palace		[*]		[*]
Darvel		[*]		[*]
Divis		[*]		[*]
Dover		[*]		[*]
Durris		[*]		[*]
Eitshal		[*]		[*]
Emley Moor		[*]		[*]

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

STATION	DAYS OF DELAY D	DAILY CHARGE P	DELAY REBATE = D X P	STATION WEIGHTING FACTOR (TO BE INSERTED IN TABLE 1, FOR SERVICE CREDIT CALCULATION)
Fenham		[*]		[*]
Fenton		[*]		[*]
Fremont Point		[*]		[*]
Guildford		[*]		[*]
Hannington		[*]		[*]
Hastings		[*]		[*]
Heathfield		[*]		[*]
Hernel Hempstead		[*]		[*]
Huntshaw Cross Main		[*]		[*]
Huntshaw Cross Fill In		[*]		[*]
Idle		[*]		[*]
Keelylang Hill		[*]		[*]
Keighley		[*]		[*]
Kilvey Hill		[*]		[*]
Knock More		[*]		[*]
Lancaster		[*]		[*]
Larkstoke		[*]		[*]
Limavady		[*]		[*]
Llanddona		[*]		[*]
Malvern		[*]		[*]
Mendip		[*]		[*]
Midhurst		[*]		[*]
Moel-y-Parc		[*]		[*]
Nottingham		[*]		[*]
Olivers Mount		[*]		[*]
Oxford		[*]		[*]
Pendle Forest		[*]		[*]
Plympton		[*]		[*]
Pontop Pike		[*]		[*]

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

STATION	DAYS OF DELAY D	DAILY CHARGE P	DELAY REBATE = D X P	STATION WEIGHTING FACTOR (TO BE INSERTED IN TABLE 1, FOR SERVICE CREDIT CALCULATION)
Pontypool		[*]		[*]
Presely		[*]		[*]
Redruth		[*]		[*]
Reigate		[*]		[*]
Ridge Hill		[*]		[*]
Rosemarkle		[*]		[*]
Rosneath		[*]		[*]
Rowridge		[*]		[*]
Rumster Forest		[*]		[*]
Saddleworth		[*]		[*]
Salisbury		[*]		[*]
Sandy Heath		[*]		[*]
Selkirk		[*]		[*]
Sheffield		[*]		[*]
Stockland Hill		[*]		[*]
Storeton		[*]		[*]
Sudbury		[*]		[*]
Sutton Coldfield		[*]		[*]
Tacolneston		[*]		[*]
The Wrekin		[*]		[*]
The Wrekin West		[*]		[*]
Torosay		[*]		[*]
Tunbridge Wells		[*]		[*]
Waltham		[*]		[*]
Wenvoe		[*]		[*]
Whitehawk Hill		[*]		[*]
Winter Hill Fill-In		[*]		[*]
Winter Hill Main		[*]		[*]

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

SCHEDULE 8

STATIONS

The Stations are listed in the order of the reference numbers provided by BDB.

Dates are underlined if they are not in consecutive order on the table.

SCHEDULE 8 - TABLE 1 SHEET 1 OF 3 PHASE I

NO.	STATION NAME	SITE			MULTIPLEX CHANNEL			MULTIPLEX ERP			TARGET SERVICE DATE	SITE DATE
		ABB.	OWNER	RESPONSE TIME (1)	B	C	D	B	C	D		
1	Pontop Pike	PP	CTI	[*]	62	65	53	10	10	2	[*]	
2	Belmont	BMN	NTL	[*]	66	60	57	10	4	4	[*]	
3	Wenvoe	WV	CTI	[*]	67	N/A	N/A	10	0	0	[*]	
4	Black Hill	BKH	NTL	[*]	51	55	65	10	10	10	[*]	
5	Caldbeck	CDK	NTL	[*]	39	45	42	1.6	1.6	1.6	[*]	
6	Caradon Hill	CNH	NTL	[*]	21	24	27	2	2	2	[*]	
7	Emley Moor	MLM	NTL	[*]	46	50	49	5	5	2	[*]	
8	Durris	DUS	NTL	[*]	51	41	44	5	5	5	[*]	
9	Craigkelly	CGK	NTL	[*]	26	42	39	1	2	2	[*]	
10	Sandy Heath	SDT	NTL	[*]	67	40	46	10	2.5	2.5	[*]	
11	Winter Hill Main	WRH	NTL	[*]	50	60	63	2	2	2	[*]	
11	Winter Hill Fill-In	WRH	NTL	[*]	0	43	40	0	0.2	0.2	[*]	
12	Stockland Hill	SDL	NTL	[*]	32	30	34	2.5	2.5	2.5	[*]	
13	Sutton Coldfield	SC	CTI	[*]	51	52	55	4	2	2	[*]	
14	Crystal Palace	CP	CTI	[*]	28	34	29	6.5	1	1	[*]	
15	Bilsdale	BIL	CTI	[*]	24	27	42	3	3	0.4	[*]	
16	Mendip	MEN	CTI	[*]	65	62	48	3	0.25	0.25	[*]	
17	Waltham	WBF	CTI	[*]	33	45	42	10	5	5	[*]	
18	Hannington	HAN	CTI	[*]	46	29	48	5	1.3	0.85	[*]	
19	Divis	DIV	CTI	[*]	26	48	34	2.3	1	0.8	[*]	
20	Rowridge	ROW	CTI	[*]	32	25	28	3	3	3	[*]	
21	Oxford	OF	CTI	[*]	52	48	67	3	1	1	[*]	
22	Moel-y-Parc	MYP	NTL	[*]	64	30	34	0.5	0.25	0.25	[*]	
23	Tacolneston	TAC	CTI	[*]	57	43	46	10	10	5	[*]	
24	Fremont Point	FRP	NTL	[*]	32	66	68	0.2	0.2	0.2	[*]	

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

NO.	STATION NAME	ABB.	SITE		MULTIPLEX CHANNEL			MULTIPLEX ERP			TARGET SITE
			OWNER	RESPONSE TIME (1)	B	C	D	B	C	D	SERVICE DATE
25	Bluebell Hill	BBL	CTI	[*]	45	42	39	3	3	3	[*]
26	Sudbury	SUY	CTI	[*]	39	54	50	7.5	1.5	1.1	[*]
27	Darvel	DVL	NTL	[*]	28	30	34	2	2	2	[*]
28	Angus	AGU	NTL	[*]	62	56	65	2	2	2	[*]
29	Midhurst	MH	CTI	[*]	59	64	60	2.5	1	1	[*]
30	Selkirk	SXI	NTL	[*]	63	66	56	3	0.5	0.5	[*]
31	The Wrekin West	WRK	CTI	[*]	27	53	63	1	1	1	[*]
31	The Wrekin West	WRK	CTI	[*]	41	0	0	1	0	0	[*]
32	Kilvey Hill	KVH	CTI	[*]	32	21	31	0.3	0.05	0.05	[*]
33	Ridge Hill	RHA	NTL	[*]	39	42	45	1	1	1	[*]
34	Saddleworth	SWH	NTL	[*]	51	39	54	0.02	0.02	0.02	[*]
35	Heathfield	HJV	CTI	[*]	47	54	51	1	1	1	[*]
36	Blaenplwyf	BY	CTI	[*]	32	29	33	2	1	1	[*]
37	Beacon Hill	BNL	NTL	[*]	54	56	64	1	1	1	[*]
38	Carmel	CRL	CTI	[*]	62	68	64	2.5	10	1	[*]
39	Sheffield	SF	CTI	[*]	60	45	42	0.05	0.05	0.05	[*]
40	Limavady	LTS	CTI	[*]	57	60	63	0.8	0.8	0.8	[*]
41	Nottingham	NOU	NTL	[*]	63	29	59	0.02	0.02	0.02	[*]
42	Dover	DOV	NTL	[*]	58	57	60	1	1	0.5	[*]
43	Whitehawk Hill	WL	CTI	[*]	48	58	61	1	0.4	0.4	[*]
44	Fenham	FNH	CTI	[*]	28	32	57	0.02	0.02	0.02	[*]
45	Llanddona	LLA	CTI	[*]	61	64	46	1	1	0.5	[*]
46	Guildford	GI	CTI	[*]	51	47	54	0.1	0.1	0.1	[*]
47	Presely	PRS	NTL	[*]	42	45	49	1	1	1	[*]
48	Rosemarkie	RK	CTI	[*]	44	46	50	10	4	4	[*]
49	Hemel Hempstead	HH	CTI	[*]	66	50	43	0.1	0.1	0.1	[*]
50	Lancaster	LCR	NTL	[*]	32	34	30	0.1	0.1	0.1	[*]
51	Bristol IC	BSL	CTI	[*]	44	47	51	0.02	0.02	0.02	[*]
52	Idle	IDL	NTL	[*]	56	30	42	0.003	0.003	0.003	[*]

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

NO.	STATION NAME	SITE			RESPONSE TIME (1)	MULTIPLEX CHANNEL			MULTIPLEX ERP			TARGET SITE SERVICE DATE
		ABB.	OWNER			B	C	D	B	C	D	
53	Brougher Mountain	BRM	CTI	[*]	26	29	33	0.5	0.5	0.5	[*]	
54	Redruth	RR	CTI	[*]	49	43	50	1.6	1	1	[*]	
55	Hastings	HS	CTI	[*]	24	63	60	0.2	0.2	0.2	[*]	
56	Chesterfield	CD	NTL	[*]	46	50	52	0.02	0.02	0.02	[*]	
57	Bromsgrove	BGE	CTI	[*]	23	26	30	0.0125	0.0125	0.025	[*]	
58	Pendle Forest	PLF	NTL	[*]	31	30	34	0.05	0.05	0.05	[*]	
59	Chatton	CHN	NTL	[*]	46	47	51	1	1	1	[*]	
60	Reigate	REI	CTI	[*]	27	N/A	N/A	0.1	0	0	[*]	
61	Malvern	MVR	CTI	[*]	55	23	26	0.1	0.05	0.05	[*]	
62	Rosneath	ROS	NTL	[*]	60	63	48	0.1	0.1	0.1	[*]	
63	Bristol KW	BSK	CTI	[*]	32	30	34	0.01	0.05	0.05	[*]	
64	Fenton	FNT	CTI	[*]	25	28	32	0.05	0.05	0.05	[*]	
65	Storeton	SEN	CTI	[*]	26	29	33	0.028	0.028	0.028	[*]	
66	Tunbridge Wells	TW	CTI	[*]	45	39	59	0.1	0.1	0.1	[*]	
67	Plympton	PTN	NTL	[*]	60	63	56	0.1	0.1	0.1	[*]	
68	Salisbury	SA	CTI	[*]	62	65	52	0.5	0.5	0.16	[*]	
69	Larkstoke	LKK	CTI	[*]	27	57	60	0.025	0.025	0.025	[*]	
70	Keighley	KJ	NTL	[*]	34	N/A	N/A	0.05	0	0	[*]	
71	Huntshaw Cross	HC	NTL	[*]	64	53	57	2	2	2	[*]	
	Huntshaw Cross	HC	NTL	[*]	64	53	57	2	2	2	[*]	
72	Knock More	KMR	NTL	[*]	57	60	56	1	1	1	[*]	
73	Rumster Forest	RMF	NTL	[*]	32	62	59	1	2	2	[*]	
74	Aberdare	ABR	CTI	[*]	26	29	33	0.025	0.025	0.05	[*]	
75	Eitshal	ETL	CTI	[*]	25	28	32	0.8	0.8	0.8	[*]	
76	Brierley Hill	BOF	CTI	[*]	59	66	62	0.1	0.05	0.05	[*]	
77	Olivers Mount	OMT	CTI	[*]	58	61	64	0.05	0.05	0.05	[*]	
78	Keelylang Hill	KEE	CTI	[*]	44	47	51	0.63	0.63	0.63	[*]	
79	Pontypool	PPL	CTI	[*]	45	66	68	0.01	0.01	0.01	[*]	
80	Torosay	TOY	CTI	[*]	33	21	31	0.125	0.125	0.125	[*]	
81	Bressay	BRQ	CTI	[*]	31	66	68	1	0.1	0.1	[*]	

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

NOTES ON SCHEDULE 8, TABLE 1

- Note 1: Response time Time from which transmitting station automatic monitoring equipment signals a fault to the TOC, until arrival on site
- Note 2: Whitehawk Hill has suffered from gypsies and vandals so is no longer visited at night for security
- Note 3: Rumster Forest will be 1h provided the team are not on Orkney
- Note 4: No night-time ferry from Bressay
- Note 5: For the purposes of Clause 8.1 Crystal Palace and Divis have been allocated high priority status by CTI

SCHEDULE 9

THE IMPACT SCHEDULE
(BDB DTT ANALOGUE CONSEQUENTIALS)

PART I - INTRODUCTION

This document defines the work which CTI will undertake, either directly or through NTL, in connection with the modifications to existing analogue TV plant as a result of the introduction of the DTT service in the UK.

The work described here is strictly limited to the consequentials of the introduction of the BDB Multiplexes.

The work described forms the 'baseline' for CTI's responsibilities under the BDB DTT Contract. It reflects the changes which are known at 15 August 1997. Any further changes will be dealt with under the 'Change Control' procedures as laid down in Schedule 1 of the DTT Contract.

PART II - SCOPE OF WORK

The work described in this Schedule and included in the Contract price is outlined in the following ITC documents:

- . "Impact of Digital TV Relay Stations on UK Analogue Services", Doc. No. 18, Ver 1.0, 30 April 1997;
- . "Impact of Digital TV Main Stations on UK Analogue Services, Results of field work for Stage 1 and 2 sites", Doc. No. 19, Ver 1.0, 31 May 1997; and
- . "Change to DTT Frequency Plan", Doc. No. 21, Ver 1.0, 6 August 1997.

PART III - SPECIFIC EXCLUSIONS IN THIS SCHEDULE

Please refer to the list of specific exclusions in Schedule 9, Table I and Table 2.

In particular, the following are not included:-

- . domestic re-tuning; and
- . any subsequent changes required by the ITC.

PART IV - SCHEDULE OF WORK

DESCRIPTION OF WORK AT SITES OTHER THAN DTT STATIONS

Schedule 9, Table 1 shows the type of work required at each of the analogue relay stations in connection with the introduction of the BDB Multiplexes. The work under the various headings is described below:

PRECISION OFFSET

In most cases precision offset is impossible to implement with the existing equipment due to its design. At such sites the transmission plant will have to be replaced.

CHANNEL CHANGE

Existing equipment can generally be retuned. However the ITC stipulates that there is to be no degradation of service for existing viewers. This means that the old and new channels should be simulcast for a period to be specified by the broadcasters which will require the purchase of temporary systems.

In addition the broadcasters require the use of captioning on the existing channels in such circumstances.

INCREASE IN ERP

This can be achieved either by the modification of the transmit antenna or by increasing the transmitter output power. In most cases this is combined with precision offset working so new equipment is called for. In cases where space is limited and the transmission plant is integrated into one bay, an increase in ERP of one service will mean that new equipment will be required for all the services on a site.

NEW ANALOGUE RELAY

In five cases new relays will be provided. At [*] this will be by addition of equipment at an existing NTL site where space exists in the current building ([*] will be fed by RBL from Wrexham-Rhos).

At Prestatyn a new Relay will have to be built on a green-field site.

RBL ANTENNA MODIFICATIONS

In a few cases modification of the existing site RBL receive antennas is required to reduce interference to the received signal.

NEW TRANSMIT ANTENNA

In some cases, a new transmit antenna is required for one or both of the following reasons:-

- . to increase the ERP of the station with an antenna of greater gain; and/or
- . to suit the new channel allocation(s).

DESCRIPTION OF WORK AT CO-SITED STATIONS

Schedule 9, Table 2 shows the work required to modify the existing analogue transmission system, at stations, with co-sited DTT services, as a result of the introduction of the BDB Multiplexes. The work under the various headings is described below:-

MODIFICATION OF VESTIGIAL SIDEBAND REGION

To avoid degradation of a DTT multiplex which is lower adjacent to an existing analogue service, the VSB region of the analogue service must be modified. This will be carried out both at low power in the analogue drive equipment and also with high power filtering at the output of the amplifiers. This work is subject to approval by the relevant regulatory authority.

MODIFICATION OF GROUP DELAY

As a consequence of the high power filtering required to restrict the VSB region extra group delay correction will be required on all analogue services with lower adjacent DTT multiplexes. This correction will be installed within the analogue drive equipment. At sites where the DTT services are to be combined with the analogue services and transmitted from a common antenna this extra correction must be configured such that it can be easily removed from circuit when maintenance is carried out on the analogue equipment. Extra group delay correction will also be required at sites where the DTT multiplex is upper adjacent to the analogue service, this is easier to accomplish than at lower adjacent sites.

PRECISION OFFSET

Precision offset oscillators will be installed in the analogue equipment at five co-sited stations. This is necessary to avoid co-channel interference with analogue relay stations which must be frequency changed as a requirement of the ITC frequency plan.

REPLACEMENT DRIVES

A total of four analogue services will require replacement drive equipment. The type of drive equipment presently employed at these sites cannot be modified to allow lower adjacent DTT operation. New drive equipment will be procured and interfaced to the existing control circuits and high power amplifiers.

SCHEDULE 9 -TABLE 1

SCHEDULE OF WORK: ANALOGUE MODIFICATIONS AT SITES OTHER THAN DTT STATIONS

Site	Interfering DTT Site & Mux	B	C	D	Precision Offset	Channel change	Increase Power	New Relay	Modify RBL	New Tx antenna	SHF Link
Hunmanby	Belmont		x	x					x		
Ardnadam	Black Hill	x					x				
Bellshill SH	Black Hill			x		x					
Bronnant SH	Blaenplwvf	x					x				
Bath	Briston KW	x									
Ferryside	Caradon Hill	x				x	x				
Chagford	Carmel	x							x		
Staithe	Chatton		x	x				x			
High Keil	Divis	x									x
Bretch Hill	Emley Moor	x	x						x		
Buxton	Emley Moor	x	x								
Holmfirth	Emley Moor			x		x				x	
Nottingham	Emley Moor	x	x		x						
Sheffield	Emley Moor	x	x		x						
Stoke North	Fenton	x	x	x				x			
Croeserw	Huntshaw	x			x						
Glyncorrwg	Huntshaw	x							x		
Ilfracombe	Huntshaw	x			x						
Craigellachie	Knock More	x	x			x					
Barrow Town	Lancaster	x							x		
Kings Weston	Mendip/Ridg		x	x	x						
Bidston	Moel-y-Parc		x			x					
West Kirby	Moel-y-Parc				x	x					
Stroud	Ridge Hill		x	x	x					x	
Cathcart	Rosneath	x	x				x				
Kelvindale	Rosneath			x			x				
Pitlochry	Selkirk	x							x		
Blackburn	Sheffield	x					x				
Hasland	Sheffield	x					x				
Cwmbran	Stockland	x						x			
Wivenhoe Park	Sudbury		x			x					
Long Mountain	Sutton	x			x						
Glossop	Sutton		x		x						
Leek	Sutton		x		x						
Lees	Sutton		x		x						
Storeton	Sutton		x		x						
Wardle	Sutton		x		x						
Wrexham Rhos	Sutton		x		x						
Cefn-Mawr	SuttonWinte	x	x		x			x			x
Bargoed	Wenvoe	x			x						
Carhampton	Wenvoe	x			x	x				x	
Countisbury	Wenvoe	x				x					
Easter Compton	Wenvoe	x			x	x					

Gilfach	Wenvoe	x	x		
Greenhill	Wenvoe	x	x		
Kewstoke	Wenvoe	x	x	x	x
Pontardawe	Wenvoe	x	x		
Pontypool	Wenvoe	x	x		
Redcliff Bay	Wenvoe	x	x	x	x
Roadwater	Wenvoe	x	x		
Woodcombe	Wenvoe	x	x	x	x
Llandona/Prestat	Winter Hill		x	x	
				x	x

SCHEDULE OF WORK: ANALOGUE MODIFICATIONS AT CO-SITED STATIONS

SITE	CO-SITED INTERFERING MULTIPLEX			MODIFY		PRECISION	REPLACE
	B	C	D	VSB	G. DELAY	OFFSET	DRIVE
Aberdare	x			x	x		
Angus	x	x		x	x		
Beacon Hill	x	x	x	x	x		x
Belmont							
Bilsdale		x	x		x		
Black Hill	x				x		
Blaenplwyf	x				x		
Bluebell Hill	x	x	x	x	x		
Bressay	x			x	x		
Brierley Hill	x		x	x	x		
Bristol Ilchester Crescent	x	x	x		x		
Bristol Kings Weston							
Bromsgrove	x	x	x	x	x		
Brougher Mountain	x	x	x		x		
Caldbeck							
Caradon Hill	x	x	x	x	x		
Carmel	x		x	x	x	x	x
Chatton	x				x		
Chesterfield							
Craigkelly	x			x	x		
Crystal Palace		x	x			x	
Darvel	x	x	x	x	x		x
Divis	x				x		
Dover	x		x	x	x		
Durris							
Eitshal	x	x	x	x	x		
Emley Moor	x	x		x	x		
Fenham	x	x			x		
Fenton	x	x	x		x		
Fremont Point							
Guildford	x	x			x		
Hannington		x			x		
Hastings	x			x	x		
Heatherfield			x	x	x		
Hemel Hempstead		x	x	x	x		
Huntshaw Cross	x			x	x		
Idle		x		x	x		
Keelylang Hill	x	x	x		x		
Keighley							
Kilvey Hill	x			x	x		
Knock More							

SCHEDULE OF WORK: ANALOGUE MODIFICATIONS AT CO-SITED STATIONS

SITE	CO-SITED INTERFERING MULTIPLEX			MODIFY	MODIFY	PRECISION	REPLACE
	B	C	D	VSB	G. DELAY	OFFSET	DRIVE
Larkstoke	X				X		
Limavady		X	X	X	X		
Llanddona	X	X			X		
Malvern	X			X	X		
Mendip	X				X	X	
Midhurst	X		X		X		
Moel-y-Parc							
Nottingham							
Olivers Mount	X	X	X		X		
Oxford	X			X	X		
Pendle Forest	X			X	X		
Plympton	X	X		X	X		
Pontop Pike	X	X	X	X	X	X	
Pontypool							
Presely	X	X	X	X	X	X	
Redruth		X	X	X	X		
Reigate							
Ridge Hill							
Rosemarkie	X	X	X	X	X		X
Rosneath	X	X		X	X		
Rowridge	X	X	X		X		
Rumster Forest	X				X		
Saddleworth	X			X	X		
Salisbury	X		X	X	X		
Sandy Heath						X	
Selkirk	X	X	X		X		
Sheffield							
Stockland Hill	X	X	X	X	X		
Storeton	X	X	X		X		
Sudbury			X	X	X		
Sutton Coldfield	X				X		
Taconeston							
The Wrekin	X				X		
Torosay	X	X	X	X	X		
Tunbridge Wells	X				X		
Waltham					X		
Wenvoe							
Whitehawk Hill		X	X		X		
Winter Hill		X	X		X		

[*]

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

SCHEDULE 11 -EMERGENCY EQUIPMENT
/DISASTER RECOVERY PROCEDURES

PART I - EMERGENCY RESERVE EQUIPMENT

BDB Exclusive Equipment:

- . 3 off 4kW containerised DTT transmitters including TIE; and
- . 3 off 1kW containerised DTT transmitters including TIE.

Interconnection cabling and instructions will be maintained in portable cases in accordance with an agreed operational procedure.

CTI EXCLUSIVE EQUIPMENT:

- . 1 off modular DTT combining system with interconnecting feeder; and
- . 2 off Broadband 8 Lambda 4 panel UHF Antennas.

CTI/NTL SHARED EQUIPMENT:

Some of these facilities are shared with NTL. Items are fully maintained under an annual maintenance plan and include:

- . 210m reserve mast;
- . 80m reserve tower;
- . 16 lambda main UHF antenna,
- . 4 lambda UHF antenna;
- . 5 inch feeder;
- . 3 inch feeder;
- . UHF combiner: and
- . documentation.

Adaptors and feeders for interconnecting points will be available at all sites.

Emergency facilities will be phased in appropriately as installations progress.

PART II- DISASTER RECOVERY PROCEDURES

In the event of a serious incident CTI will follow the procedures laid down in the CTI Disasters and Emergencies Procedures Plan which is updated when necessary and covers the following:

- . security procedures;
- . electric shock;
- . loss of transmission facilities;
mast collapse;
loss of transmitters,
emergency link procedure;
local site plans;
procedural testing;
- . other emergencies;
mast rescue;
Falling Ice;
bomb precautions; and
- . a telephone list.

NOTIFICATION

In the event that a potentially catastrophic incident is detected, which will impair or interrupt service from one or more Stations for an extended period, CTI shall immediately notify the BDB Representative and initiate the CTI Disasters and Emergencies Plan.

CTI and the BDB Representative will then jointly assess the implications of the incident.

SERVICE PRIORITY

In the event of failure of more than one service at a Station, the order of priority for service restoration will be in accordance with the CTI Disaster and Emergencies Procedures Plan.

CTI will use reasonable endeavours not to show undue preference to any other customer in the order of priority set out in the CTI Disaster and Emergency Procedures Plan.

LOSS OF MAINS SUPPLY AND GENERATOR

In the event of fire destroying a mains supply and the backup generator simultaneously, a containerised generator will be supplied within 24 hours on hire.

LOSS OF COMPLETE TRANSMITTING STATION

In the event of the loss of a complete transmitting station, CTI will deploy the containerised emergency transmitters and other equipment necessary to restore the service.

An emergency container transmitter can be delivered to any site on the mainland within 24 hours.

MAJOR DAMAGE TO MAST AND/OR ANTENNA SYSTEM

Following notification or identification of potential structural damage and an initial assessment of potential safety hazards, named personnel will be contacted to enable contingency plans to be initiated. These people are directly responsible for the provision of the reserve facilities. Some of these facilities are shared with NTL.

Service recovery times depend on the severity of damage. It is likely that the erection time for the 210m mast would be four to five weeks. It could be possible under favourable conditions to reduce this to about three weeks.

At smaller sites full service would be restored using cherry-pickers and cranes.

TECHNICAL OPERATIONS CENTRE (TOC)

The TOC has been designed to be fully resilient. A back-up to the TOC is located at Sutton Coldfield providing duplication of the computer systems at the TOC. Data communications from the Stations to these computer systems is via ISDN or PSTN backup circuits which are instigated automatically without manual intervention.

In the event that the TOC needs to be abandoned, staff would transfer to the backup centre and the operation would be resumed within in one hour with no loss of monitoring data. The transfer time will be minimised by providing remote or mobile access to the backup centre.

SCHEDULE 12

ADDITIONAL STATIONS

Until 31 December 2001 additional stations beyond those listed in Schedule 8 will be added to

the Network, as requested by BDB, in accordance with the Change Control Procedures specified in Schedule 1. The basis for calculating the additional Charge for each additional station shall be the sum of:

[*]

The provision of additional Stations from 1 January 2002 will be subject to separate agreement between BDB and CTI.

Once the additional charge is calculated and agreed, Schedule 2 will be adjusted accordingly.

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

EXECUTED by the parties

Signed by
for and on behalf of
BRITISH DIGITAL BROADCASTING PLC:

/s/ _____ Signature

Signed by
for and on behalf of
CASTLE TRANSMISSION INTERNATIONAL LTD:

/s/ _____ Signature

[*]

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THE SCHEDULE

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PART 1

1. DEFINITIONS AND INTERPRETATION

- (1) In these Conditions and in the Conditions in the Annex unless the context otherwise requires:

references to any "ACCOUNTING PERIOD" of the Licensee shall be interpreted in accordance with Section 13(6) of the 1996 Act and the Statement of Principles on multiplex revenue;

"THE 1990 ACT" means the Broadcasting Act 1990 as amended by the 1996 Act;

"THE 1996 ACT" means the Broadcasting Act 1996;

"BODY" means a body of persons whether incorporated or not, and includes a partnership;

"BSKYB" means British Sky Broadcasting Group PLC, a company incorporated under the laws of England (registered number 2247735) whose registered office is at Grant Way, Isleworth, Middlesex TW7 5QD;

"BSKYB LIMITED" means British Sky Broadcasting Limited, a company incorporated under the laws of England (registered number 2906991) whose registered office is at Grant Way, Isleworth, Middlesex TW7 5QD;

"BSB HOLDINGS" means BSB Holdings Limited, a company incorporated under the laws of England (registered number 2042233) whose registered office is at 3 Burlington Gardens, London W1X 1LB;

"CODE OF PRACTICE ON CHANGES TO EXISTING TRANSMISSION AND RECEPTION ARRANGEMENTS" means the code governing the standards and requirements relating to changes and modifications to transmission and reception arrangements for existing terrestrial television services required as a result of the transmission of the Licensed Service as drawn up from time to time revised by the Commission;

"COMMENCEMENT DATE" means the date one year after the Date of Grant, or such earlier date as the Licensee may notify to the Commission in writing or such later date as may be agreed in writing between the Commission and the Licensee;

references to a "CONNECTED PERSON" in relation to the Licensee shall be interpreted in accordance with paragraph 3 of Part I of Schedule 2 to the 1990 Act;

references to "DIGITAL ADDITIONAL SERVICES" shall be interpreted in accordance with Section 24 of the 1996 Act;

references to "DIGITAL PROGRAMME SERVICES" shall be interpreted in accordance with Section 1(4) of the 1996 Act;

"DIGITAL TECHNICAL PERFORMANCE CODE" means the code governing technical standards and practice in the provision of licensed services and qualifying services as drawn up and from time to time revised by the Commission;

"DISABLED PERSON" has the same meaning as in the Disability Discrimination Act 1995;

"FREQUENCIES" means the frequencies designated by UHF Channel numbers in Part V of the Annex and a "FREQUENCY" means any of the Frequencies;

"INITIAL LICENCE PERIOD" means the period of twelve years from and including the Commencement Date or, if shorter, the period from and including the Commencement Date until such date as the Licence is revoked in accordance with these Conditions;

any reference to a person or group of persons acting together having an "INTEREST" of a particular percentage (or of more than a particular percentage) in a body corporate is a reference to a person or group of persons acting together who:

- (a) holds or is beneficially entitled to that percentage (or more than that percentage) of the shares in that body; or
- (b) possesses that percentage (or more than that percentage) of the voting power in that body;

"LICENCE PERIOD" means the Initial Licence Period or any Subsequent Licence Period, as the context shall require;

"LICENCED AREA" means the coverage area achieved when the programmes in the licensed services and the qualifying services included in the Licensed Service are transmitted by wireless telegraphy from the stations specified in Part V of the Annex (as varied from time to time pursuant to the proviso to Condition 2(2)), subject to such stations being operated in accordance with the Digital Technical Performance Code and otherwise in accordance with the details set out in Part V of the Annex;

"LICENSED SERVICES" means services licensed by the Commission under Part I of the 1996 Act;

references to "MULTIPLEX REVENUE" in relation to the Licencee shall be interpreted in accordance with Sections 14 and 37 of the 1996 Act and the Statement of Principles drawn up and revised from time to time by the Commission in consultation with the Secretary of State and the Treasury pursuant to Part I of Schedule 1 to the 1996 Act;

"PRESCRIBED AMOUNT" means:

- (a) where:
 - (i) the Licence is revoked under Section 11 of the 1996 Act; or
 - (ii) the first complete accounting period of the Licencee falling within the Licence Period has not yet ended;

seven percent of the amount which the Commission estimate would have been the multiplex revenue for that accounting period (as determined in accordance with Section 14 of the 1996 Act); or

(b) in any other case, seven percent of the multiplex revenue for the last complete accounting period of the Licencee so falling (as determined in accordance with Section 14 of the 1996 Act);

"PROGRAMME", save where otherwise specified, includes an advertisement and any item included in the Licensed Service;

references to "PROGRAMME-RELATED SERVICES" shall be interpreted in accordance with Section 12(4)(b) of the 1996 Act;

references to "QUALIFYING SERVICES" shall be interpreted in accordance with Section 2 of the 1996 Act;

"RACIAL GROUP" has the same meaning as in the Race Relations Act 1976;

"RELEVANT DATE" means the date which the Commission determines to be that by which it would need to publish a notice under Section (7)(1) of the 1996 Act if it were to grant, as from the date on which the Licence would expire if not renewed, a fresh licence to provide the Licensed Service.

"RELEVANT PERCENTAGE OF MULTIPLEX REVENUE" means such percentage of the multiplex revenue in relation to each accounting period of the Licencee during the Licence Period as the Commission may specify pursuant to Condition 9(5), which percentage may be different for different accounting periods and may be a nil percentage;

"SUBSEQUENT LICENCE PERIOD" means the period of twelve years from and including the date on which the Licence is renewed in accordance with Condition 9 or, if shorter, the period from and including the date on which the Licence is renewed until such date as it is revoked in accordance with these Conditions;

"TECHNICAL PLAN" means the technical plan relating to the Licensed Service which accompanied the Licencee's application for the Licence pursuant to Section 7(4)(b) of the 1996 Act; and

references to "TECHNICAL SERVICES" shall be interpreted in accordance with Section 24(3) of the 1996 Act and to "RELEVANT TECHNICAL SERVICES" shall be interpreted in accordance with Section 12(4)(c) of the 1996 Act.

- (2) The Interpretation Act 1978 shall apply for the purpose of interpreting these Conditions as if they were an Act of Parliament.
- (3) Any word or expression used in these Conditions shall unless otherwise defined herein and/or the context otherwise requires have the same meaning as it has in the 1990 Act or in the 1996 Act, as the case may be.
- (4) For the purposes of interpreting these Conditions headings and titles to any Condition shall be disregarded.
- (5) This Licence shall be governed by English law.

PART 2

2. PROVISION OF MULTIPLEX SERVICE BY THE LICENSEE

- (1) The Licencee shall provide the Licensed Service for the Licence Period in the Licenced Area and in accordance with the Conditions set out in the Annex.
- (2) Subject to the Conditions set out in the Annex, the Licencee shall ensure that the licensed services and the qualifying services broadcast in the Licensed Service are transmitted from the stations specified in, and otherwise in accordance with Part V of the Annex and on each day of the week. Provided that the Commission may (having first consulted the Licencee) from time to time by notice to the Licencee amend Part V of the Annex:
 - (a) by substituting for any station or stations therein referred to, a reference to any other station or stations serving substantially the whole of the area previously served by the stations so substituted; and/or
 - (b) by adding to the stations therein referred to a reference to an additional station or stations serving an additional area, whether or not such additional area is served in whole or in part by another station from which the licensed services and the qualifying services are broadcast in the Licensed Service; and/or
 - (c) by deleting references to any station or stations where such deletion is required pursuant to the revocation by the Secretary of State, pursuant to Section 6(3) of the 1996 Act of the assignment of any Frequency;

and any such variation shall take effect on such date or event as the Commission shall in such notice specify whereupon Part V of the Annex shall be deemed to have been amended so as to include particulars of the broadcasting stations as so varied.

- (3) Nothing in this Licence shall constitute or imply any warranty, representations or obligation on the part of the Commission as to the size or location of the areas actually capable of receiving the programmes in the licensed services and the qualifying services broadcast in the Licensed Service provided by the Licencee pursuant to the Licence or that licensed services and qualifying services provided by the holder of any other license (including a multiplex service license) shall not be capable of reception in the whole or any part of the Licenced Area.
- (4) The Licencee shall not be authorised by or under the Licence to broadcast or procure the broadcasting of anything other than the Licensed Service.

3. FEES

- (1) The Licencee shall pay to the Commission such fees as the Commission may determine in accordance with the tariff fixed by it and for the time being in force under Section 4(3) of the 1996 Act, details of which, and of any revision whereof, the Commission shall provide to the Licencee in writing.
- (2) Payment of the fees referred to in Condition 3(1) shall be made in such manner as the Commission shall specify provided that unless the Commission specifically otherwise requires:

- (a) where the annual amount of the fee is less than the Designated Amount, it shall be payable on the Date of Grant and on each anniversary thereof prior to or during the Licence Period; and
- (b) where the annual amount of the fee is equal to or more than the Designated Amount, it shall be payable in advance by equal monthly instalments commencing on the Date of Grant and continuing thereafter until the expiry of the Licence Period.

(3) For the purposes of this Condition 3, the "DESIGNATED AMOUNT" means the sum of (Pounds)25,000, or such other sum as the Commission may from time to time specify.

4. ADDITIONAL PAYMENTS

(1) The Licencee shall pay to the Commission in respect of each accounting period of the Licencee falling within the Licence Period an amount representing the Relevant Percentage of multiplex revenue.

(2) The Commission may:

- (a) before the beginning of any accounting period of the Licencee, estimate the amount representing the Relevant Percentage of multiplex revenue for that accounting period (and the Licencee shall pay such estimated amount (the "ESTIMATED AMOUNT") by equal monthly instalments on the twenty-seventh day of each month throughout that accounting period); and
- (b) at such times as it shall think fit revise the Estimated Amount and adjust the instalments payable by the Licencee to take account of any such revision.

(3) (a) The Licencee shall pay to the Commission a sum equal to the amount (if any) by which the amount of the Relevant Percentage of multiplex revenue in respect of any accounting period of his exceeds the Estimated Amount actually paid by him to the Commission in respect of that period; and

- (b) the Commission shall pay or procure the payment to the Licencee of a sum equal to the amount (if any) by which the amount of the Relevant Percentage of multiplex revenue in respect of any accounting period of the Licencee is less than the Estimated Amount actually paid by the Licencee to the Commission in respect of that period,

and the sum payable by the Licencee shall be paid within 14 days of the date on which the Commission shall notify the Licencee of the amount of the Relevant Percentage of multiplex revenue in respect of such accounting period.

(4) Payments under this Condition 4 shall be made in such manner as the Commission shall specify.

(5) This Condition shall not have effect:

- (a) in relation to the Initial Licence Period; or

- (b) in relation to the Subsequent Licence Period if, pursuant to Section 16(8) of the 1996 Act, the Commission specify (with the consent of the Secretary of State) that no relevant percentage of multiplex revenue is payable for that period.

5. INTEREST ON LATE PAYMENTS AND V.A.T.

- (1) Any payment due from the Licencee under or in respect of this Licence shall carry interest at three percent over the base rate for the time being of National Westminster Bank PLC (or if unavailable then the rate published by another clearing bank as selected by the Commission) from the date such payment was due until the date of actual payment.
- (2) The Licencee's liability to pay to the Commission the amounts payable by him under Condition 5(1) shall accrue from day to day and shall be calculated on the basis of a year of 365 days and for the actual number of days elapsed.
- (3) (a) The Licencee shall pay any V.A.T. on any supply for V.A.T. purposes by the Commission under the Licence.
- (b) Without limitation to paragraph (a) above, all sums payable or other consideration to be given by the Licencee are exclusive of V.A.T. which shall be paid by the Licencee in addition to such sums or consideration.
- (c) In this Condition 5(3) V.A.T. means value added tax and any similar tax.

6. TRANSMISSION ARRANGEMENTS, TECHNICAL STANDARDS AND REQUIREMENTS

- (1) The Licencee shall do all he can to ensure that the signals carrying the Licensed Service attain high standards in terms of technical quality and reliability throughout so much of the Licenced Area as is for the time being reasonably practicable and in particular, (but without prejudice to the generality of the foregoing) the Licencee shall do all that he can to ensure that the relevant provisions of the Digital Technical Performance Code are observed in all operations under his direct control and by any third parties involved in the provision of programmes in the licensed services and qualifying services broadcast in the Licensed Service or in the provision and operation of a system for the distribution and transmission of the Licensed Service.
- (2) The Licencee shall at all times comply with the Code of Practice on Changes to Existing Transmission and Reception Arrangements adopted by the Commission from time to time and without prejudice to the generality of the foregoing the Licencee shall:
- (a) do all that he can to secure that all work required in accordance with the Code of Practice on Changes to Existing Transmission and Reception Arrangements in connection with the equipment used for the transmission of existing terrestrial television services in order to accommodate the transmission of the Licensed Service is carried out in a proper manner before the commencement of transmissions of the Licensed Service from each of the stations specified in Part V of the Annex;
- (b) not commence transmissions of the Licensed Service from any of the stations specified in Part V of the Annex until the work referred to in paragraph 2(a) of this Condition in connection with such transmissions from such stations has been completed;

- (c) promptly and in a proper manner carry out all work required in accordance with the Code of Practice on Changes to Existing Transmission and Reception Arrangements in order to maintain the reception of existing terrestrial services by viewers affected by the changes to the transmission arrangements for those services described in the said Code without any cost or expense to those viewers; and
 - (d) promptly and in a proper manner carry out all the work required in accordance with the Code of Practice on Changes to Existing Transmission and Reception Arrangements in order to restore the reception of existing terrestrial television services by viewers affected by interference caused by the transmission of the Licensed Service in the cases identified in the said Code without any cost or expense to those viewers.
- (3) The Licensee shall comply with the Guidance Note on Test Transmissions, governing transmissions made by the Licensee from any of the stations specified in Part V of the Annex before the commencement of the Licensed Service from such stations, as drawn up and from time to time reviewed by the Commission.
 - (4) The Licensee shall ensure that the Licensed Service uses a transmission system complying with Article 2 of Council Directive 95/47/EC on the use of standards for transmission of television signal;
 - (5) Where the Commission specify a particular Community digital standard in accordance with Section 142 of the 1996 Act (the "COMMUNITY DIGITAL STANDARD") the Licensee shall ensure that the Licensed Service uses a transmission system meeting the Community Digital Standard.

7. AVAILABILITY OF CAPACITY ON THE FREQUENCIES

- (1) The Licensee shall ensure that, during the License Period, at least 90 percent (or such other percentage as the Secretary of State may from time to time by order specify pursuant to Section 12(5) of the 1996 Act) of digital capacity on the Frequencies is available for the broadcasting of digital programme services, qualifying services, programme-related services or relevant technical services.
- (2) For the purpose of Condition 7(1) "QUALIFYING SERVICES" shall be interpreted in accordance with Section 12(4)(a) of the 1996 Act.

8. PROVISION OF INFORMATION TO THE COMMISSION

- (1) The Licensee shall furnish to the Commission in such manner and at such times as the Commission may reasonably require such documents, accounts, returns, estimates, reports or other information as the Commission may require for the purpose of exercising the functions assigned to it by or under the 1990 Act or the 1996 Act in relation to multiplex services and in particular (but without prejudice to the generality of the foregoing):
 - (a) the Licensee will notify the Commission:
 - (i) of any change in the persons having control over the Licensee, or in the directors of the Licensee or the directors of any body corporate which controls the Licensee, within 28 days of the occurrence of such change;

(ii) of any change in the persons having interests in the Licensee so that a person or group of persons acting together:

(A) has acquired an interest of more than twenty percent, in the Licensee or in any body corporate which controls Licensee; or

(B) having an interest of more than twenty percent, in the Licensee or in any body corporate which controls the Licensee, has increased such interest;

within 28 days of the Licensee becoming aware of such change:

(iii) of any change in the persons having interests in the Licensee where an interest or interests notified to the Commission in Condition 8(1)(a)(ii)(A) or (B) falls to twenty percent or below within 28 days of the Licensee becoming aware of such change; and

(iv) of any change in the persons having interests in the Licensee where such interest would cause the Licensee to be a disqualified person pursuant to Schedule 2 to the 1990 Act or cause any of the restrictions or requirements imposed on or in relation to the holders of multiplex service licences by or under Schedule 2 to the 1990 Act not to be complied with to the extent that such requirements apply to him immediately upon the Licensee becoming aware of such change;

(b) the Licensee shall, save insofar as such matters have been notified to the Commission pursuant to paragraph (a) above, notify the Commission within 28 days of the occurrence of:

(i) all matters, notice of which is required to be given to the Registrar of Companies under Parts V and/or XXIII of the Companies Act 1985; or

(ii) (where the Licensee is not incorporated in England and Wales or Scotland) such similar or analogous matters under the laws of any applicable jurisdiction as the Commission may from time to time specify.

(2) The Licensee shall ensure that any person authorised in writing by the Commission is permitted at reasonable times to enter any premises of the Licensee or of any connected person in order to:

(a) inspect, examine, operate or test any equipment on the premises which is used in connection with the provision of the Licensed Service; and

(b) inspect and examine all statutory books and financial and other business records of the Licensee and to take such copies thereof as may in the opinion of the Commission be necessary or desirable to enable it to discharge its functions under the 1990 Act and/or the 1995 Act.

- (3) The Licensee shall within 28 days of a request therefor provide the Commission with such information as it may require for the purposes of determining or revising the tariff referred to in Condition 3(1).
- (4) The Licensee shall as soon as reasonably practicable following a request therefor provide the Commission with such information as it may require for the purposes of determining whether the Licensee has acted and is acting in accordance with the provisions of Condition 10, including, without limitation, Condition 10(2) and Condition 10(6).
- (5) The Licensee shall as soon as reasonably practicable following a request therefor provide the Commission with such information as it may require for the purposes of determining whether the Licensee has complied and is complying with the Conditions set out in the Annex, including, without limitation, the Conditions set out in Part III of the Annex relating to acquisition of equipment.
- (6) The Licensee shall supply to the Commission:
 - (a) (i) in relation to himself and any body which controls the Licensee (where a body corporate) a copy of his annual return at the same time as it is filed with the Registrar of Companies in accordance with Section 363 of the Companies Act 1985 and a copy of his annual report and accounts as soon as possible after they are circulated to the shareholders of the relevant body corporate; or
 - (ii) (where the Licensee is not incorporated in England and Wales or Scotland) any returns, reports, accounts or other information under the laws of any applicable jurisdiction which is, in the opinion of the Commission, analogous or equivalent to the above, at such times and in such form as the Commission shall from time to time specify;
 - (b) half-yearly income and expenditure returns and supplementary annexes in such form and at such times as the Commission shall require;
 - (c) statements of his multiplex revenue at such intervals as the Commission may specify and also in respect of each entire accounting period of his in such form as the Commission shall require;
 - (d) post-transmission data in relation to the programmes included in the licensed service and qualifying services which are broadcast in the Licensed Service covering such information and in such form as the Commission shall specify, such data to be delivered to the Commission as soon after transmission of the programmes to which they relate as the Commission may require;
 - (e) tapes/recordings of such parts of the Licensed Services as the Commission shall from time to time require for the purposes of monitoring the technical performance of the Licensee;
 - (f) such technical performance data as the Commission shall from time to time require, at such intervals and in such form as the Commission shall specify;

- (g) such information as the Commission may reasonably require from time to time for the purposes of determining whether the Licensee on any ground is a disqualified person by virtue of any of the provisions in Section 143(5) of the 1996 Act; and
 - (h) such information as the Commission may reasonably require from time to time in relation to each person providing digital programme services broadcast in the Licensed Service as to the number of points attributable to each such person in respect of such digital programme services calculated in accordance with paragraph 7 of Part III of Schedule II of the 1990 Act.
- (7) The Licensee shall supply to the Commission in relation to such periods, in such form and at such times as the Commission shall require, information as to the percentage of digital capacity available on the Frequencies for the broadcasting of digital programme services, qualifying services, programme-related services or relevant technical services.
 - (8) The Licensee shall inform the Commission when judgment is awarded against him in any court proceedings brought against him in respect of the inclusion of the Licensed Services of any defamatory, seditious, blasphemous, or obscene matter, or any matter which constitutes an injurious falsehood or slander of title, or any tort or an infringement of any copyright, moral right, right in a performance, design right, registered design, service mark, trademark, letters patent, or other similar monopoly right or a contravention of the provisions of the Official Secrets Acts, or of any statutory enactment of regulation for the time being in force, or a criminal offense, or contempt of Court, or breach of Parliamentary privilege.
 - (9) The Licensee shall supply the Commission with details of the procedures (and of any revision of such procedures) adopted by him and required to be observed by those involved in providing the Licensed Service for the purposes of Condition 13(2).
 - (10) The Licensee, if so requested by the Commission, shall at such intervals and at such times as the Commission shall require attend meetings with the Commission for the purpose of enabling the Commission to conduct periodic reviews of the performance by the Licensee of his obligations under the License.

9. RENEWAL OF THE LICENSE

- (1) The Licensee may apply to the Commission for renewal of the License not earlier than four years before the end of the Initial License Period and not later than the Relevant Date.
- (2) If the Licensee makes an application before the Relevant Date, the Commission may postpone consideration of it for as long as the Commission thinks appropriate, having regard to Section 16(10) of the 1996 Act.
- (3) If the Licensee makes an application the Commission may (with the consent of the Secretary of State):
 - (a) require the Licensee to furnish:
 - (i) a technical plan which supplements the Technical Plan; and

- (ii) proposals which supplement any proposals submitted by the Licensee under Section 7(4)(f) of the 1996 Act; and
 - (b) notify the applicant of the requirements which must be met by the supplementary technical plan referred to in Condition 9(3)(a)(i) or the supplementary proposals referred to in Condition 9(3)(a)(ii) and which relate to the matters referred to in Section 7(4)(b)(i) and (ii) and (f) of the 1996 Act.
- (4) The Commission shall only refuse an application for renewal of the License by the Licensee made in accordance with the 1996 Act and this Condition if:
- (a) it appears to the Commission that the Licensee has failed to comply with any of the Conditions in this License; or
 - (b) any supplementary technical plan submitted by the Licensee under Condition 9(3)(a)(i) fails to meet the requirements notified to the Licensee under Condition 9(3)(b); or
 - (c) any of the supplementary proposals submitted by the Licensee under Condition 9(3)(a)(ii) fails to meet the requirements notified to the Licensee under condition 9(3)(b); or
 - (d) the Commission is not satisfied that the Licensee would, if the License were renewed, provide a service which complied with the Conditions to be included in the License, as renewed.
- (5) On the grant of any such application:
- (a) the Commission shall include in the License, as renewed, such further conditions as appear to the Commission to be appropriate for securing the implementation of any supplementary technical plan and any supplementary proposals submitted under Condition 9(3); and
 - (b) subject to Section 16(9) of the 1996 Act, the Commission may, with the consent of the Secretary of State, and shall, if so required by him specify a percentage of multiplex revenue as the percentage of multiplex revenue for each accounting period of the Licensee that will be payable by him during the period for which the License is to be renewed where no relevant percentage of multiplex revenue was specified under Section (1)(f) of the 1996 Act;
- and the Commission may specify under Condition 9(5)(b) either of the things mentioned in Section 7(2)(b) of the 1996 Act.
- (6) Where the Commission has granted an application of the Licensee for renewal of the License it shall formally renew his License from the date on which it would otherwise expire and it shall not so renew his License unless it has notified him of the percentage of multiplex revenue specified by it under Condition 9(5)(b) and he has, within such period as the Commission shall specify in the notification, notified it in writing that he consents to the License being renewed on those terms.

MISSING

MISSING

11. RESTRICTIONS ON THE HOLDERS OF MULTIPLEX LICENCES

- (1) The Licensee shall comply in all respects with the restrictions or requirements imposed on or in relation to him as the holder of a multiplex licence by or under Schedule 2 to the 1990 Act to the extent that they apply to him.
- (2) The Licensee shall comply with any direction of the Commission requiring him to take or arrange for the taking of, any steps specified by the Commission for the purposes of complying with the requirements imposed by or under Parts III to V or Schedule 2 to the 1990 Act.

12. TRANSFERABILITY OF THE LICENCE

The Licence is not transferable except with the prior consent in writing of the Commission which consent shall not be given unless the Commission is satisfied that the person or persons

to whom it is proposed to transfer the Licence would be in a position to comply with all of the Conditions hereto throughout the remainder of the Licence Period.

13 COMPLIANCE

- (1) The Licensee shall comply with any direction given to him by the Commission in respect of any matter, which direction is in the opinion of the Commission appropriate, having regard to any duties which are or may be imposed on it or on the Licensee by or under the 1990 Act or the 1996 Act.
- (2) Licensee shall adopt procedures and procure that such procedures are observed by those involved in providing the Licensed Service for the purposes of ensuring that the provisions of this Licence, the 1990 Act, the 1996 Act, and any codes or guidelines herein or therein referred to (the "CODES" and "GUIDELINES" respectively) are complied with in connection with the provision of the Licensed Service. The Licensee shall, without prejudice to the generality of the foregoing, ensure:
 - (a) that there are sufficient persons amongst those involved in providing the Licensed Service who are adequately versed in the requirements of this Licence, the 1990 Act, the 1996 Act, and the Codes and Guidelines and that such persons are able to ensure compliance with such requirements on a day to day basis;
 - (b) that adequate arrangements exist for the immediate implementation of such general and specific directions as may from time to time be given to the Licensee by the Commission; and
 - (c) that in each department of the Licensee where any of the procedures referred to in this Condition are to be implemented the member of staff responsible is of sufficient seniority to ensure immediate action and that issues relating to compliance may be brought where necessary directly before senior management for consideration.

14. PROHIBITION ON CONVEYANCE OF UNLICENSED SERVICES

- (1) The Licensee shall ensure that:
 - (a) all digital programme services broadcast under this Licence are provided by the holder of a licence under Section 18 of the 1996 Act; and
 - (b) all digital additional services broadcast under this Licence are provided by the holder of a licence under Section 25 of the 1996 Act.
- (2) This Condition shall not apply to the provision of a digital programme service or a digital additional service by a person established and licensed (if required) to provide such a service in another EEA member state.

15. GOVERNMENT DIRECTIONS

- (1) The Licensee shall, if so directed by the Commission from time to time:
 - (a) publish in the Licensed Service, at such times as may be specified to the Commission by the Secretary of State or any other Minister of the Crown, such announcement as

may be specified by a notice given pursuant to Section 10(1) of the 1990 Act (as applied by the 1996 Act), with or without visual images of any picture, scene or object mentioned in the announcement; or
 - (b) refrain from including in the programmes included in the Licensed Service any matter or classes of matter specified to the Commission by the Secretary of State pursuant to Section 10(3) of the 1990 Act (as applied by the 1996 Act).
- (2) The Licensees may when publishing an announcement in the Licensed Service in accordance with Condition 15(1)(a) indicate that the announcement is made in pursuance of a direction by the Commission.

- (3) The Licensee shall comply with all directions given to him by the Commission pursuant to a direction of the Secretary of State for the purpose of enabling Her Majesty's Government in the United Kingdom or give effect to any international obligations of the United Kingdom.
- (4) Where the Commission:
- (a) has given the Licensee a direction to the effect referred to in Condition 15(1)(b); or
 - (b) in consequence of the revocation by the Secretary of State of the notice giving rise to the issuing of such direction, has revoked such a direction.

or where such a notice has expired, the Licensee may publish in the Licensed Service an announcement of the giving or revocation of the direction or of the expiration of the notice, as the case may be.

16. COMPLAINTS RECEIVED FROM THE PUBLIC

- (1) (a) The Licensee shall adopt procedures acceptable to the Commission for handling complaints received from the public in respect of the Licensed Service and shall ensure that such procedures are duly observed.
- (b) Such procedures shall, inter alia, include a requirement that members of the public who complain to the Licensee about the Licensed Service are informed that they have the right to refer the matter complained of to the Commission.
- (2) The Licensee shall for a period of two years keep a written record of any complaints received from the public in respect of the Licensed Service and of any response given in relation to any such complaint by the Licensee and shall make such records available to the Commission in writing at such times as the Commission may require.

17. POWER OF THE COMMISSION TO VARY LICENCE CONDITIONS

- (1) The Commission may by a notice served on the licensee:
- (a) vary the Licence Period provided that the Licensee consents to such variation (and without prejudice to the Commission's powers and duties under Section 17 of the 1996 Act);

- (b) vary any Conditions set out in Parts I, II, III and IV of the Annex provided that the Licensee consents to such variation; and
- (c) vary the Licence in any respect not mentioned in paragraphs (a) and (b) above provided that the Licensee has been given a reasonable opportunity to make representations to the Commission concerning the proposed variation;

Provided always that paragraph (a) and (c) above shall not authorise the variation of Condition 4 to the extent that Condition requires the payment by the Licensee to the Commission of in respect of each accounting period of the Licensee falling within the Licence Period, an amount representing the Relevant Percentage of multiplex revenue.

- (2) If the Licensee applies to the Commission for the variation of Conditions in the Annex which relate to the characteristics of the digital programme services to be broadcast in the Licensed Service, the Commission shall permit the variation requested unless it appears to the Commission that if the application is granted, the capacity of the digital programme services broadcast in the Licensed Service to appeal to a variety of tastes and interests would be unacceptably diminished provided that in deciding whether or not to permit such variation, the Commission may have regard to the digital programme services broadcast in all the multiplex services for the time being provided by the Licensee or any connected person in relation to the Licensee.

18. PUBLICATION OF TARIFFS

In pursuance of Regulation 12 of the Advanced Television Services Regulations 1996 (SI 1996/3151), in relation to the delivery of digital television services, the Licensee shall publish a list of tariffs for the viewer which takes into account whether associated equipment is supplied or not provided that it shall be a sufficient compliance by the Licensee if he ensures that each person who provides a television programme service within Regulation 12 for broadcasting in the Licensed service complies with this requirement in full.

19. EQUAL OPPORTUNITIES

- (1) The Licensee shall:
 - (a) make arrangements for promoting, in relation to employment by the Licensee, equality or opportunity between men and women and between persons of different racial groups;
 - (b) make arrangements for promoting, in relation to employment by the Licensee, the fair treatment of disabled persons; and
 - (c) review those arrangements from time to time.
- (2) In particular (but without limitation to the generality of paragraph 1 of this Condition) the Licensee:
 - (a) shall ensure that no job applicant or employee receives less favourable treatment on the grounds of sex, race, colour, creed, nationality, or ethnic or national origins or disability, or on such grounds is disadvantaged by conditions or requirements which cannot be shown to be justifiable;

- (b) shall review his selection criteria and procedures at regular intervals and will monitor the composition of his workforce and of job applicants and will take action to correct any inequalities or unfair treatment which come to his notice; and
- (c) if so requested by the Commission shall at such intervals as the Commission may require provide a statement to the Commission of the action he has taken to give effect to such equal opportunities and fair treatment policy, and the Commission may, at its discretion, make such statement in whole or in part public.

20. NOTICES

- (1) Any notice or notification to be served or given under or in relation to this Licence shall be in writing and may be delivered to the party to be served or sent by first class post at his proper address (as defined in Section 199(4) of the 1990 Act) or left at that address.
- (2) Any such notice or notification shall be deemed to have been served:
 - (i) if so delivered or left, at the time of delivery or leaving; or
 - (ii) if so posted, at 10:00 a.m. on the second business day after it was put into the post.
- (3) In proving such service it shall be sufficient to prove that delivery was made or that the envelope containing such notice or notification was properly addressed and posted as a prepaid first class letter or was left at the proper address, as the case may be.

PART 3

21. EXCEPTION AND LIMITATION ON THE LICENSEE'S OBLIGATIONS

The Licensee shall not be in any way responsible for any failure to provide the Licensed Service directly or indirectly caused by or arising from any circumstances beyond the control of the Licensee including (without limitation) accident or breakdown of any equipment or apparatus (caused otherwise than by the wrongful act, neglect or default of the Licensee, its servants or agents), force majeure, war, damage by the Queen's enemies, riot, rebellion, civil commotion, interference by strike, lockout, sit-in, picket or other industrial dispute or action.

PART 4

22. SANCTIONS FOR BREACHES OF CONDITION

- (1) (a) If the Commission is satisfied that the Licensee has failed to comply with any Condition of the Licence or with any direction given by the Commission under the Licence and it has given him a reasonable opportunity of making representations to it about the matters complained of, it may serve on the Licence a notice requiring him to pay to the Commission, within a specified period, a specified financial penalty.
- (b) The amount of any financial penalty imposed pursuant to Condition 22(1)(a) shall not exceed whichever is the greater of (Pounds)50,000 (or such other sum as the Secretary of State may by order specify under Section 36 of the 1996 Act) or the amount determined under Condition 22(1)(c).
- (c) The amount referred to in Condition 22(1)(b) is:
- (i) three per cent of the share of multiplex revenue attributable to the Licensee for his last complete accounting period (as determined in accordance with Section 15 of the 1996 Act) in a case where a penalty under Section 17 of the 1996 Act has not previously been imposed on the Licensee during any period for which the Licence has been in force (the "relevant period"); and
- (ii) in any other case five per cent of the share of multiplex revenue attributable to the Licensee for his last complete accounting period (as determined in accordance with Section 15 of the 1996 Act).
- (d) Where any such penalty is imposed when the Licensee's first complete accounting period falling within the relevant period has not yet ended, the amount referred to in Condition 22(1)(c) shall not exceed three, or (as the case may be) five, per cent of the amount which the Commission estimates to be the share of multiplex revenue attributable to the Licensee for that accounting period (as determined in accordance with Section 15 of the 1996 Act).
- (2) (a) If the Commission is satisfied that the Licensee has failed to comply with any Condition of this Licence or with any direction given to him hereunder and it has given him a reasonable opportunity of making representations to it about the matters complained of, it may serve on the Licensee a notice reducing the Licence Period by a specified period not exceeding two years.
- (b) Where the Licence is due to expire on a particular date by virtue of a notice served on the Licensee under Condition 22(2)(a), the Commission may, on the application of the Licensee by a further notice served on him at any time before that date, revoke that notice if it is satisfied that such revocation is justified by virtue of the conduct of the Licensee in relation to the operations of the Licensed Service since the date of the earlier notice.

23. REVOCATION

- (1) (a) If the Commission is satisfied that the Licensee is failing to comply with any Condition of the Licence or with any direction given by the Commission such that, if that failure were not remedied, it would justify the revocation of the Licence, the Commission shall serve on the Licensee a notice.
- (i) stating that the Commission is so satisfied.
 - (ii) specifying the respects in which, in the opinion of the Commission, the Licensee is failing to comply with any such Condition or direction; and
 - (iii) stating that, unless the Licensee takes, within such period as is specified in the notice, such steps to remedy the failure as are so specified, the Commission will revoke the Licence.
- (b) If at the end of the period specified in any notice under Condition 23(1)(a) the Commission is satisfied that the Licensee has failed to take the steps specified in the notice and that it is necessary in the public interest to revoke the Licence, the Commission shall serve on the Licensee a notice revoking the Licence.
- (2) The Commission shall revoke the Licence by notice in writing served on the Licensee and taking effect as from the time of service in
- (a) the Licensee indicates to the Commission before the Commencement Date that he does not intend to provide the Licensed Service; or
 - (b) the Commission for any other reason has reasonable grounds for believing that the Licensee will not provide the Licensed Service after the Commencement Date and it has served on the Licensee a notice stating its grounds for believing that he will not provide that service after that date.
- (3) The Commission may revoke the Licence by notice served on the Licensee and taking effect either forthwith or on a date specified in the notice, in any of the following circumstances:
- (a) if the Licensee ceases to provide the Licensed Service before the end of the Licence Period and the Commission are satisfied that it is appropriate to revoke the Licence;
 - (b) if the Licensee agrees in writing with the Commission that the Licence should be revoked;
 - (c) if the Licensee becomes a disqualified person in relation to the Licence by virtue of Part II of Schedule 2 to the 1990 Act or otherwise fails to comply with any requirement imposed on or in relation to the holders of multiplex licences by or under that Schedule:

- (d) if the Commission is satisfied that the Licensee:
 - (i) in purporting to comply with any of the Conditions of the Licence has provided information which is false in a material particular or has withheld any material information with the intention of causing the Commission to be misled; or
 - (ii) in connection with his application for the Licence, provided the Commission with information which was false in a material particular or withheld any material information with the intention of causing the Commission to be misled;
 - (e) if, where the Licensee is a body, a change affecting the nature or characteristics of the Licensee or any change in the persons having control over or interests in the Licensee, or any other change giving rise to a failure to comply with any requirement imposed by or under Section 2 to the 1990 Act takes place (whether before or after the Commencement Date), which change is such that, if it fell to the Commission to determine whether to award the Licence to the Licensee in the new circumstances of the case, it would be induced by the change to refrain from awarding the Licence to the Licensee;
 - (f) without prejudice to the generality of Condition 23(3)(e), if, without the prior written consent of the Commission:
 - (i) BSkyB, BSkyB Limited or BSB Holdings or any person connected with BSkyB, BSkyB Limited or BSB Holdings shall directly or indirectly have any interest in the shares or possess any voting power or have any other financial interest in the Licensee or any person controlling the Licensee; or
 - (ii) any person having directly or indirectly a material financial interest in BSkyB, BSkyB Limited or BSB Holdings shall control the Licensee;
 - (g) if the Commission ceases to be satisfied that the Licensee is a fit and proper person to hold the Licence;
 - (h) if the Licensee fails to comply with any requirement to hold a Licence under Section 1 of the Wireless Telegraph Act 1949 (as amended) and/or Section 7 of the Telecommunications Act 1984;
 - (i) if the Secretary of State shall, pursuant to Section 6(3) of the 1996 Act revoke the assignment of the Frequencies.
- (4) For the purpose of Condition 23(3)(f):
- (a) a "MATERIAL FINANCIAL INTEREST" in a body corporate means an interest of five per cent or more of the shares or possession of five per cent, or more of the voting power in the body corporate; and
 - (b) a "FINANCIAL INTEREST" shall not include any payment for services provided under and agreement for the supply or (digital or analogue) programme services or additional services.

- (5) The Commission shall before serving a notice revoking the Licence or a notice under Condition 23(2)(b) notify the Licensee of the matters complained of and give the Licensee a reasonable opportunity to make representations to it about the matters complained of.
- (6) (a) Where the Licence is revoked pursuant to any provision of Part I of the 1996 Act, or is treated as being revoked under Section 145 of the 1996 Act, the Licensee shall with such period as the Commission shall notify to him, pay to the Commission a specified financial penalty not exceeding whichever is the greater of (Pounds)50,000 (or such other sum as the Secretary of State may by order specify under Section 36 of the 1996 Act) or the Prescribed Amount:
- (b) The Licensee's liability to pay such penalty shall not be affected by the Licence ceasing (for any reason) to be in force.
- (7) If the Licensee is convicted of an offence under Section 144 of the 1996 Act and the court by which the Licensee is convicted makes an order disqualifying him from holding a licence during a period specified in the order, or if the Licensee is disqualified from holding a licence, pursuant to Section 145(3) of the 1996 Act, in consequence of an order disqualifying an individual from holding a licence, this Licence shall be treated as being revoked with effect from the time when the order takes effect.

ANNEX

THE LICENSED SERVICE

DEFINITIONS AND INTERPRETATION

In these Conditions, unless the context otherwise requires it:

- (a) "CORE PROPOSALS" means the supplementary proposals submitted by the

Licensee in his application for the Licence in response to Questions A.1 to A.7 inclusive in Part I of Section A and Financial Questions B.1 to B.17 inclusive in Section B of the Attachment to Part III of the Invitation to Apply, together with any additional information furnished to the Commission by the Licensee pursuant to Section 7(6) of the 1996 Act in relation to the proposed service details of which are set out in Part VI of this Annex; Terms used in such Core Proposals shall be interpreted in accordance with the guidance provided by the Commission in the Invitation to Apply;

"INVITATION TO APPLY" means the Invitation to Apply for multiplex service licences issued by the Commission on 31st October, 1996;

references to a "LETTER", followed by a date, means the letter of that date, details of which are set out in Part VI of this Annex;

references to a "FINANCIAL QUESTION", followed by a number, means the question of that number in Section B of the Attachment to Part III of the Invitation to Apply;

references to a "QUESTION", followed by a number, means the question of that number in Part 1 of Section A of the Attachment to Part III of the Invitation to Apply.

- (b) In the event of any inconsistency between the Core Proposals and the Conditions set out in this Annex, the latter shall prevail.

MISSING

MISSING

PART II

CONDITIONS RELATING TO DIGITAL ADDITIONAL SERVICES

The Licensee shall implement the Core Proposals in response to Question A.7.

PART III

CONDITIONS RELATING TO PROMOTING OR ASSISTING THE ACQUISITION OF EQUIPMENT

1. The Licensee shall implement the Core Proposals in response to Question 1.3 and Financial Question B.2(ii) (first three bullet points) and Financial Question B.3. These Core Proposals include, without limitation, Section B2 (paragraphs 155 to 158 (inclusive) and 171) and Section B3 of the Licensee's Core Proposals.
2. Without prejudice to the generality of paragraph 1, the Licensee shall make the expenditures set out in the Appendix to this Annex (which is and shall be confidential) (the "CONFIDENTIAL APPENDIX") (as varied by the Commission in writing from time to time) in accordance with the Core Proposals. For the purposes of this Licence, the Confidential Appendix shall be treated as though it were set out in and formed part of this Part of the Annex.

PART IV

CONDITIONS RELATING TO THE TECHNICAL PLAN

The Licensee shall implement the Core Proposals in response to Question A.2 and the Letter of 22nd April, 1997 in accordance with the timetable set out below:

PHASE I BROADCASTING STATIONS FROM WHICH THE LICENSED SERVICE MUST BE BROADCAST FROM THE COMMENCEMENT DATE

[*]

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

PHASE 2 BROADCASTING STATIONS FROM WHICH THE LICENSED SERVICE MUST HAVE
COMMENCED BROADCASTING BY THE DATE EIGHT MONTHS AFTER THE COMMENCEMENT
DATE

[*]

PHASE 3 BROADCASTING STATIONS FROM WHICH THE LICENSED SERVICE MUST HAVE
COMMENCED BROADCASTING BY THE DATE SIXTEEN MONTHS AFTER THE
COMMENCEMENT DATE

[*]

[*] indicates where text has been omitted pursuant to a request for
confidential treatment. The omitted text has been filed with the Securities
and Exchange Commission separately.

[*]

This timetable is subject to the necessary national and international clearances for broadcasting from the stations in question being obtained in due time. If the Licensee provides evidence satisfactory to the Commission that delays in obtaining the necessary clearances make it impracticable for the Licensee to comply with the above timetable in respect of any station, the Licensee shall commence broadcasting from that station as soon as reasonably practicable after the clearances have been obtained.

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

PART V

DETAILS OF BROADCASTING STATIONS

MULTIPLEX [B,C,D]

PART V

DETAILS OF BROADCASTING STATIONS - MULTIPLEX B

Station Name	Grid Reference	UHF Channel	Aerial Height
Aberdare	S0034013	26	333
Angus	N0394407	62	549
Beacon Hill	SX857619	54	249
Belmont	TF218836	66	347
Bilsdale	SE553962	24	690
Black Hill	NS828647	51	539
Blaenplwyf	SN569757	32	325
Bluebell Hill	TQ757613	45	236
Bressay	HU503387	31	299
Brierley Hill	S0916856	59	180
Bristol King's Weston	ST547775	32	144
Bromsgrove	S0948730	23	199
Brougher Mountain	IH350527	26	370
Caldbeck	NY299425	39	578
Caradon Hill	SX273707	21	592
Carmel	SN576153	62	412
Chatton	NU105264	46	348
Chesterfield	SK382764	46	231
Craigkelly	NT233872	26	315
Crystal Palace	TQ339712	28	321
Darvel	NS557341	28	395
Divis	IJ287750	26	505
Dover	TR274397	58	328
Durris	N0763899	51	608
Eitshal	NB305303	25	366
Emley Moor	SE222128	46	565
Fenham	NZ216648	28	170
Fenton	SJ903451	25	241
Fremont Point	XD908280	32	247
Guildford	SU975486	51	172.5
Hannington	SU527568	46	352
Hastings	TQ806100	24	126
Heathfield	TQ566220	47	258.5
Hemel Hempstead	TL088045	66	212
Huntshaw Cross	SS527220	64	349
Idle	SE163374	56	265

Station Name	Grid Reference	UHF Channel	Aerial Height
Ilchester Crescent	ST577700	44	99
Keelylang Hill	HY378102	44	270
Keighley	SE069444	34	354
Kilvey Hill	SS672940	32	232
Knock More	NJ321497	57	418
Lancaster	SD490662	32	184
Lark Stoke	SP187426	27	277
Limavady	IC711296	57	393
Llanddona	SH583810	61	258
Malvern	S0774464	55	207
Mendip	ST564488	65	572
Midhurst	SU912250	59	294
Moel-y-Parc	SJ123701	64	552
Nottingham	SK503435	63	178
Oliver's Mount	TA040869	58	188
Oxford	SP567105	52	277
Pendle Forest	SD825384	31	326
Plympton	SX531555	60	164
Pontop Pike	NZ148526	62	450
Pontypool	ST284990	45	295
Presely	SN172306	42	529
Redruth	SW690395	49	370
Reigate	TQ257521	27	291
Ridge Hill	S0630333	39	333
Rosemarkie	NH762623	44	323
Rosneath	NS258811	60	218
Rowridge	SZ447865	32	257
Rumster Forest	ND197385	32	455
Saddleworth	SD987050	51	398
Salisbury	SU136285	62	156
Sandy Heath	TL204494	67	197
Selkirk	NT500294	63	518
Sheffield	SK324870	60	278
Stockland Hill	ST222014	32	419
Storeton	SJ314841	26	110
Sudbury	TL913377	39	160
Sutton Coldfield	SK113003	51	395
Tacolneston	TM131958	57	215
The Wrekin	SJ628082	27	436
The Wrekin B	SJ628082	45	436
Torosay	NM703358	33	478
Tunbridge Wells	TQ607440	45	172
Waltham	SK809233	33	418
Wenvoe	ST110742	67	311
Whitehawk Hill	TQ330045	48	172

All necessary national and international clearances for broadcasting from these stations have not been obtained at the Date of Grant. The details given above may be subject to change and the Licensee's use of each station in connection with the Licensed Service is subject to such clearances being obtained for that station.

Note: Aerial heights given in metres above Ordnance Datum.

PART V

DETAILS OF BROADCASTING STATIONS - MULTIPLEX C

Station Name	Grid Reference	UHF Channel	Aerial Height
Aberdare	S0034013	29	333
Angus	N0394407	56	549
Beacon Hill	SX857619	56	249
Belmont	TF218836	60	314
Bilsdale	SE553962	27	690
Black Hill	NS828647	55	539
Blaenplwyf	SN569757	29	325
Bluebell Hill	TQ757613	42	236
Bressay	HU503387	66	291
Brierley Hill	S0916856	66	180
Bristol King's Weston	ST547775	30	144
Bromsgrove	S0948730	26	199
Brougher Mountain	IH350527	29	370
Caldbeck	NY299425	45	578
Caradon Hill	SX273707	24	592
Carmel	SN576153	68	398
Chatton	NU105264	47	348
Chesterfield	SK382764	50	231
Craigkelly	NT233872	42	315
Crystal Palace	TQ339712	34	321
Darvel	NS557341	30	395
Divis	IJ287750	48	497
Dover	TR274397	57	328
Durris	N0763899	41	608
Eitshal	NB305303	28	366
Emley Moor	SE222128	50	565
Fenham	NZ216648	32	170
Fenton	SJ903451	28	241
Fremont Point	XD908280	66	227
Guildford	SU975486	47	172.5
Hannington	SU527568	29	352
Hastings	TQ806100	63	126
Heathfield	TQ566220	54	281
Hemel Hempstead	TL088045	50	212
Huntshaw Cross	SS527220	53	338
Huntshaw Cross B	SS527220	51	338
Idle	SE163374	30	265
Ilchester Crescent	ST577700	47	99
Keelylang Hill	HY378102	47	270
Kilvey Hill	SS672940	21	232
Knock More	NJ321497	60	418

Station Name	Grid Reference	UHF Channel	Aerial Height
Lancaster	SD490662	32	184
Lark Stoke	SP187426	27	277
Limavady	IC711296	57	393
Llanddona	SH583810	61	258
Malvern	S0774464	55	207
Mendip	ST564488	65	572
Midhurst	SU912250	59	294
Moel-y-Parc	SJ123701	64	552
Nottingham	SK503435	63	178
Oliver's Mount	TA040869	58	188
Oxford	SP567105	52	277
Pendle Forest	SD825384	31	326
Plympton	SX531555	60	164
Pontop Pike	NZ148526	62	450
Pontypool	ST284990	45	295
Presely	SN172306	42	529
Redruth	SW690395	49	370
Reigate	TQ257521	27	291
Ridge Hill	S0630333	39	333
Rosemarkie	NH762623	44	323
Rosneath	NS258811	60	218
Rowridge	SZ447865	32	257
Rumster Forest	ND197385	32	455
Saddleworth	SD987050	51	398
Salisbury	SU136285	62	156
Sandy Heath	TL204494	67	197
Selkirk	NT500294	63	518
Sheffield	SK324870	60	278
Stockland Hill	ST222014	32	419
Storeton	SJ314841	26	110
Sudbury	TL913377	39	160
Sutton Coldfield	SK113003	51	395
Tacolneston	TM131958	57	215
The Wrekin	SJ628082	27	436
The Wrekin B	SJ628082	45	436
Torosay	NM703358	33	478
Tunbridge Wells	TQ607440	45	172
Waltham	SK809233	33	418
Wenvoe	ST110742	67	311
Whitehawk Hill	TQ330045	48	172
Winter Hill	SD660144	50	682

All necessary national and international clearances for broadcasting from these stations have not been obtained at the Date of Grant. The details given above may be subject to change and the Licensee's use of each station in connection with the Licensed Service is subject to such clearances being obtained for that station.

Note: Aerial heights given in metres above Ordnance Datum.

PART V
 DETAILS OF BROADCASTING STATIONS - MULTIPLEX D

Station Name	Grid Reference	UHF Channel	Aerial Height
Aberdare	S0034013	33	333
Angus	N0394407	65	549
Beacon Hill	SX857619	64	249
Belmont	TF218836	57	314
Bilsdale	SE553962	42	687
Black Hill	NS828647	65	573
Blaenplwyf	SN569757	33	325
Bluebell Hill	TQ757613	39	236
Bressay	HU503387	68	291
Brierley Hill	S0916856	62	180
Bristol King's Weston	ST547775	34	144
Bromsgrove	S0948730	30	199
Brougher Mountain	IH350527	33	370
Caldbeck	NY299425	42	578
Caradon Hill	SX273707	27	592
Carmel	SN576153	64	398
Chatton	NU105264	51	348
Chesterfield	SK382764	52	231
Craigkelly	NT233872	39	315
Crystal Palace	TQ339712	29	321
Darvel	NS557341	34	395
Divis	IJ287750	34	497
Dover	TR274397	60	328
Durris	N0763899	44	608
Eitshal	NB305303	32	366
Emley Moor	SE222128	49	565
Fenham	NZ216648	57	159
Fenton	SJ903451	32	241
Fremont Point	XD908280	68	227
Guildford	SU975486	54	169
Hannington	SU527568	48	352
Hastings	TQ806100	60	126
Heathfield	TQ566220	51	258.5
Hemel Hempstead	TL088045	43	212
Huntshaw Cross	SS527220	57	338
Huntshaw Cross B	SS527220	47	338
Idle	SE163374	42	265
Ilchester Crescent	ST577700	51	99
Keelylang Hill	HY378102	51	270
Kilvey Hill	SS672940	31	232
Knock More	NJ321497	56	418
Lancaster	SD490662	30	184

Station Name	Grid Reference	UHF Channel	Aerial Height
Lark Stoke	SP187426	60	277
Limavady	IC711296	63	393
Llanddona	SH583810	46	258
Malvern	S0774464	26	202
Mendip	ST564488	48	574.5
Midhurst	SU912250	60	294
Moel-y-Parc	SJ123701	34	549
Nottingham	SK503435	59	178
Oliver's Mount	TA040869	64	188
Oxford	SP567105	67	289
Pendle Forest	SD825384	34	326
Plympton	SX531555	56	164
Pontop Pike	NZ148526	53	450
Pontypool	ST284990	68	295
Presely	SN172306	49	529
Redruth	SW690395	50	387
Ridge Hill	S0630333	45	333
Rosemarkie	NH762623	50	323
Rosneath	NS258811	48	218
Rowridge	SZ447865	28	257
Rumster Forest	ND197385	59	411
Saddleworth	SD987050	54	398
Salisbury	SU136285	52	156
Sandy Heath	TL204494	46	267
Selkirk	NT500294	56	518
Sheffield	SK324870	42	278
Stockland Hill	ST222014	34	419
Storeton	SJ314841	33	110
Sudbury	TL913377	50	182
Sutton Coldfield	SK113003	55	395
Tacolneston	TM131958	46	184
The Wrekin	SJ628082	57	434
Torosay	NM703358	31	478
Tunbridge Wells	TQ607440	59	172
Waltham	SK809233	42	418
Whitehawk Hill	TQ330045	61	172
Winter Hill	SD660144	63	650
Winter Hill 3	SD660144	40	555

All necessary national and international clearances for broadcasting from these stations have not been obtained at the Date of Grant. The details given above may be subject to change and the Licensee's use of each station in connection with the Licensed Service is subject to such clearances being obtained for that station.

Note: Aerial heights given in metres above Ordnance Datum.

PART VI

ADDITIONAL INFORMATION

1. Letter of 20th March, 1997 and attached memorandum and schedules from the Licensee to the Commission in reply to a letter of 12th March, 1997 from the Commission to the Licensee.
2. Letter of 17th April, 1997 from the Licensee to the Commission in reply to a letter of 10th April, 1997 from the Commission to the Licensee.
3. Letter of 22nd April, 1997 and attached note and diagram from the Licensee to the Commission in reply to a letter of 15th April, 1997 from the Commission to the Licensee.
4. Letter of 28th April, 1997 from the Licensee to the Commission in reply to a letter of 21st April, 1997 from the Commission to the Licensee.

CONTRACT BETWEEN
BRITISH TELECOMMUNICATIONS PLC
AND
CASTLE TRANSMISSION INTERNATIONAL LIMITED
FOR THE PROVISION OF
DIGITAL TERRESTRIAL TELEVISION
NETWORK DISTRIBUTION SERVICE

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THIS CONTRACT is made 19 May 1998

BETWEEN

BRITISH TELECOMMUNICATIONS PLC whose registered office is at 81 Newgate Street, London EC1A 7AJ, registered in England No. 1800000 ("BT").

AND

CASTLE TRANSMISSION INTERNATIONAL LIMITED whose registered office is at Warwick Technology Park, Gallows Hill, Heathcote Lane, Warwick CV34 6TN, registered in England No. 3196207 ("the Customer")

INTRODUCTION

1. The Customer has requested BT to provide a Digital Terrestrial Television Network Distribution Service ("DTTV Service").
2. BT and the Customer have agreed the DTTV Service will be provided on the terms and conditions of this Contract.

IT IS AGREED AS FOLLOWS:

1. INTERPRETATION

- 1.1 In this Contract the following words and phrases have the following meanings:

GENERAL DEFINITIONS :

- | | |
|-----------------------|-----------------------------------------------------------------|
| "Abatements" | means the payments described in Part 3 of Schedule 3. |
| "Acceptance Criteria" | means the acceptance criteria described in Part 2 of Schedule 6 |
| "Acceptance Tests" | means the acceptance tests described in Part 1 of Schedule 6. |

"ASI"	means Asynchronous Serial Interface, a DVB transport stream specification.
"ASI mux" or "ASI multiplex"	means a BT proprietary interface device which combines or separates a number of individual transport streams for carriage over the DTTV Distribution Network.
"Broadcasting Authority"	means the Independent Television Commission as defined in the Broadcasting Acts 1990 and 1996, or, in the case of the BBC the government department and/or governing body having jurisdiction over the BBC's broadcasting activities under any Charter establishing the BBC or any amendment thereto.
"BT Equipment"	means equipment (including software) placed on a Site by BT for the provision of the Service.
"BT's Licence"	means the Licence granted to BT under Section 7 of the Telecommunications Act 1984.
"BT's Licensed Area in the United Kingdom"	means the United Kingdom other than the area in which Kingston Communications (Hull) plc is licensed to run telecommunication systems under its licence granted to it under Section 7 of the Telecommunications Act 1984
"Charges"	means the charges payable by the Customer for the Service in accordance with Clause 11 and Schedule 2.
"CNAP"	means a Core Network Access Point, being a primary point at which access and/or egress

can be provided to the DTTV Distribution Network.

"Connection Point"	means a block terminal, a socket for a removable plug, a distribution frame, or any other device supplied and installed by BT at Playout Centres and/or at Transmitter Sites.
"Customer's Content Signals"	means video, audio and data signals of the Customer, or of any third party the Customer allows to use the Service, having the technical characteristics and specifications described in Schedule 8.
"Customer Equipment"	means equipment directly connected to the DTTV Distribution Network used by the Customer, or by any third party the Customer allows to use the Service.
"Day"	means, for the purposes of Schedule 3, Day as described in Part 1 of Schedule 3.
"Digital Network Group"	means the industry body of that name established to facilitate the introduction of digital television in the United Kingdom.
"Distribution Input Interface"	means an interface (physical, electrical and data) at which the Customer or its agent delivers the Customer's Contents Signals to BT for distribution across the DTTV Distribution Network, having the characteristics described in Part 1 of Schedule 1.
"Distribution Output Interface"	means an interface (physical, electrical and data) at which BT delivers the Customer's

Contents Signals back to the Customer or its agent after completing its passage through the DTTV Distribution Network, having the characteristics described in Part 1 of Schedule 1.

"DTTV Distribution Network"	means the network to be established by BT for providing the Service.
"DTTV Multiplex Service"	means a multiplex service as defined in the Broadcasting Act 1996.
"DVB"	means the standards developed by the Digital Video Broadcasting Project.
"Emergency"	means an emergency of any kind including any circumstance whatever resulting from major accidents, natural disasters and incidents involving toxic or radio-active materials.
"Emergency Organisations"	means in respect of any locality :- (i) the relevant public police, fire, ambulance and coastguard services for that locality; and (ii) any other similar organisation providing assistance to the public in Emergencies in respect of which BT provides a public emergency call service.
"Full Testing Service"	means the Full Testing Service as described in Part 1 of Schedule 1.
"Functional Design Specification"	means the document describing the technical characteristics and specifications relating to the Service as described in Schedule 4.

"Group Company"	means a subsidiary or holding company of BT or of the Customer (as appropriate), or a subsidiary of that holding company, all as defined by Section 736 of the Companies Act 1985.
"Implementation Plan"	means the BT implementation plan for delivery and testing of the Service as described in Schedule 5.
"Late Delivery Payments"	means the payments described in Part 1 of Schedule 3.
"Loss of Service"	means Loss of Service as defined in Part 2 of Schedule 3.
Minimum Period	means the period from signature of this Contract to the expiry of the 12th anniversary of 31 October 1998 or such later date as may be substituted pursuant to the provisions of Sub-clause 17.2.1, and as such period may be extended by the Customer pursuant to the provisions of Sub-clause 15.1.
"Multiplier"	means the Multiplier as described in Part 1 of Schedule 3.
"Network Management Service"	means the network management service and fault reporting procedure as described in Schedule 7 to be provided under this Contract in relation to the Service.
"Operational Service Date"	means the date as defined in paragraph 1.4 (b) of Schedule 2.

"Phase 1 Transmitter Sites"	means the Phase 1 Transmitter Sites as defined in Part 1 of Schedule 3 and as described in Part 2 of Schedule 1.
"Phase 2 Transmitter Sites"	means the Phase 2 Transmitter Sites as defined in Part 1 of Schedule 3 and as described in Part 2 of Schedule 1.
"Playout Centre"	means a playout centre detailed in Part 3 of Schedule 1.
"Playout Centre Owner"	means the owner of a Playout Centre.
"Preliminary Testing Service"	means the Preliminary Testing Service as described in Part 1 of Schedule 1.
"Region"	means a region listed in the Table at the end of Part 1, Schedule 1, paragraph 2.
"Service"	means the service or, where appropriate, the services or part of a service, to be provided by BT to the Customer as described or referred to in Part 1 of Schedule 1.
"Service Connection Charge"	means the initial Service Connection Charge payable by the Customer as described in Schedule 2.
"Service Delivery Dates"	means the respective service delivery dates set out in Schedule 1, Part 2, column 6 by which a fully operational Service is to be provided to the Customer at the respective Transmitter Sites set out in Schedule 1, Part 2, column 2.
"Service Full Testing Dates"	means the respective service full testing dates set out in Schedule 1, Part 2, column 5 by which the Full Testing Service is to be provided for Acceptance Tests at the respective Transmitter Sites set out in Schedule 1, Part 2, column 2.

"Service Preliminary Testing Dates"	means the respective service preliminary Testing Dates set out in Schedule 1, Part 2, column 4 by which the Preliminary Testing Service is to be provided for Acceptance Tests to the respective Transmitter Sites set out in Schedule 1, Part 2, column 2.
"Service Rental Charge"	means the annual Service Rental Charge payable by the Customer as described in Schedule 2.
"Site"	means the Playout Centre(s) and Transmitter Site(s) as detailed in Schedule 1.
"SNAP"	means a Separacy Network Access Point, being a separate, secondary point at which access or egress can be provided to the DTTV Distribution Network.
"Transmitter Site"	means a transmitter site detailed in Schedule 1, Part 2, column 2.
"Transmitter Site Owner"	means the owner of a Transmitter Site as detailed in Schedule 1, Part 2, column 3.

- 1.2 The Schedules form part of this Contract. References to Clauses or Sub-clauses are to Clauses or Sub-clauses of this Contract; references to paragraphs are to paragraphs of the appropriate Schedule. Clause headings are inserted for convenience only, and will not affect the interpretation of this Contract.

- 1.3 References to Statutes or to Statutory Instruments include any modification or re-enactment of the same.
- 1.4 Except where the context otherwise requires, references to the singular will include the plural, and vice versa.
2. PROVISION OF THE SERVICE
 - 2.1 BT will provide the Service to the Customer on the terms of this Contract.
 - 2.2 BT will provide the Preliminary Testing Service, the Full Testing Service, and fully operational Service to the Transmitter Sites by the respective Service Preliminary Testing Dates, Service Full Testing Dates, and Service Delivery Dates, but if BT does not do so, its only financial liability to the Customer will be to pay Late Delivery Payments in the circumstances described in Part 1 of Schedule 3.
 - 2.3 BT has designed the network it will use to provide the Service to achieve a minimum 99.99% availability of Service. However, in the nature of any service it cannot be guaranteed that faults will never arise. The Customer will be entitled to Abatements for Loss of Service in the circumstances described in Part 3 of Schedule 3, and BT will provide a fault monitoring, reporting and repair service as part of the Network Management Service.
 - 2.4 The performance and functionality of the Service will not be affected by dates, prior to, during or after 1 January 2000. In particular:

- (a) No value for current date will cause any interruption in operation.
- (b) Date-based functionality will behave consistently for dates prior to, during and after 1 January 2000.
- (c) In all interfaces and data storage, the century in any date will be specified either explicitly or by unambiguous algorithms or inferencing rules.
- (d) Year 2000 will be recognised as a leap year.

2.5 BT may from time to time give the Customer advice concerning matters essential to health, safety or the quality of any telecommunications service provided by BT to the Customer or any other customer.

2.6 In the event of an Emergency, BT may suspend the Service in order to give Emergency Organisations or departments of central or local government access to the Service in accordance with requests made under Condition 9 of BT's Licence, or in order to comply with orders or directions of a competent authority in exercise of statutory or other executive powers in connection with such Emergency, and suspension in such circumstances will be treated as an event arising under Clause 13.

2.7 (a) BT will co-operate with the Customer's own customer DTTV Multiplex Service operators' systems integrators as required to enable the integration of the DTTV Distribution Network with the Customer's own customer multiplex and distribution systems, and generally in the provision of the Service during the term of this Contract. Correspondingly, the Customer will procure that such third parties co-operate with BT in the installation and operation of the DTTV Distribution Network.

(b) BT will deploy its people as necessary to enable the Services to be available to the relevant Transmitter Sites for testing in accordance with the provisions of Clause 3 and to enable fully operational Services to commence on the Service Delivery Dates.

3. ACCEPTANCE TESTS

- 3.1 BT will give the Customer 5 working days' prior notice of BT's intention to carry out Acceptance Tests at Sites to be specified in the notice. The Customer's nominated representatives will be entitled to attend the Acceptance Tests, but as witnesses only. BT will accommodate as many of the Customer's nominated representatives for such attendance as it reasonably can, and in any event a minimum of three. BT will at all times remain in control of testing the Service while the Acceptance Tests are carried out.
- 3.2 Provided BT considers that the Acceptance Tests demonstrate that the Service meets the Acceptance Criteria, BT will notify the Customer in writing of the satisfactory completion of the Acceptance Tests with copies of the results as soon as they are available. The Customer will respond as soon as reasonably practicable and in any event within 5 working days of receipt of such written notification and copy results, failing which the Service will be deemed to be acceptable and ready for provision to the Sites specified in such BT notice. Where the Customer does not respond to this notice, any subsequent Late Delivery Payments that may become due as a result of such failure to respond will be reduced in accordance with the number of days taken by the Customer to respond to this notice.
- 3.3 If the Customer notifies BT that in its opinion the Service does not meet the Acceptance Criteria, BT will rectify the Service as soon as reasonably practicable in order that it meets the Acceptance Criteria. If BT disputes the Customer's notice the matter will be regarded as a technical dispute for the purposes of Clause 14 and dealt with accordingly.

4. BT EQUIPMENT AND SITE REQUIREMENTS, AND CUSTOMER'S CONTENT SIGNALS RESPONSIBILITIES

- 4.1 In order to be able to provide the Service, BT requires the Customer (at its own expense) to seek to arrange for the following at the Sites (up to the respective boundaries of the Sites):

- (a) obtain and maintain all necessary landlords' consents, planning permissions, way-leaves and other third party consents (including those of Payout Centre Owners, and Transmitter Site Owners) needed to install, commission, maintain, operate and use the BT Equipment at the Sites and connect and operate the Service at the Sites, including consents for any necessary alterations to buildings;
- (b) pay all necessary connection charges, site rents, or any other fees required or levies made by third parties (including landlords, Payout Centre Owners, and Transmitter Site Owners) in connection with operating the Service at the Sites;
- (c) provide a suitable environment, accommodation, foundations, power supplies, connection points, support and other facilities at the Sites, including all necessary trunking, conduits and cable trays, as detailed in section 11 of the Functional Design Specification in accordance with the relevant installation standards;
- (d) take up or remove, any fitted or fixed floor coverings, ceiling tiles, suspended ceiling and partition covers, as BT advises are reasonably necessary, and carry out afterwards any making good or decorator's work as required;

and BT will not be liable for any failure to provide Service which is due or mainly due to the requirements described in Sub-clauses 4.1 (a), (b), (c) and (d) not being met in accordance with timescales as set out in the Implementation Plan or not being maintained for the duration of the Contract, in each case to the extent that such requirements are not met or maintained.

- 4.2 The Customer's Content Signals at the Distribution Input Interfaces will be delivered in compliance with the specifications and standards described in Schedule 8. Whilst it is acknowledged that failure to provide continuous Customer's Content Signals does not constitute a breach of this Contract, the Customer will use reasonable endeavours to provide continuous Customer's Content Signals at the Distribution Input Interfaces. BT will not be liable for any failure to provide Service which is due

or mainly due to Customer's Content Signals not being delivered continuously at the Distribution Input Interfaces, and/or not being delivered in compliance with the specifications and standards described in Schedule 8, in each case to the extent that Customer's Content Signals are not so delivered. The Customer acknowledges that BT is not responsible for delivery of the Customer's Content Signals up to the Distribution Input Interfaces nor for onward carriage of the Customer's Content Signals from the Distribution Output Interfaces nor for any payments in relation thereto.

4.3 The Customer is responsible for the BT Equipment at all Sites and must not add to, modify or in any way interfere with such BT Equipment, nor allow anyone else (other than someone authorised by BT) to do so. The Customer will be liable to BT for any loss of or damage to such BT Equipment, except where such loss or damage is due to fair wear and tear, an event covered by Clause 13, or is caused by BT or anyone acting on BT's behalf.

4.4 BT will not be liable for any failure to provide Service which is due or mainly due to any interference, modification, addition to, or loss or destruction of, BT Equipment at any Site except where such loss or damage is due to fair wear and tear or is caused by BT or anyone acting on BT's behalf.

5. CONNECTION OF EQUIPMENT TO THE SERVICE

5.1 Any equipment connected to or used with the Service must be connected and used in accordance with any instructions, safety and security procedures applicable to the use of that equipment.

5.2 Any equipment which is attached (directly or indirectly) to the Service must be technically compatible with the Service and approved for that purpose under any relevant legislation.

6. ACCESS AND SITE REGULATIONS

- 6.1 In order to be able to provide the Service, BT requires the Customer (at its own expense) to seek to arrange for access, for anyone duly authorised for this purpose by BT, to any Site and any other premises outside BT's control, at all reasonable times. During a period from 3 months prior to each Service Preliminary Testing Date to each Service Delivery Date, the Customer will seek to arrange continuous 24-hour access for BT to relevant Sites, but in any event BT will require a minimum level of access to relevant Sites as described in Schedule 5. Subsequently, to carry out any major planned works or maintenance, BT will require 24-hour access at Sites from time to time on giving 3 days' notice. BT may also require immediate 24-hour access at Sites to rectify faults in Service. Otherwise, BT will normally only require access during its usual working hours but may, on reasonable notice, require access at other times which the Customer will seek to arrange.
- 6.2 BT employees and anyone acting on BT's behalf will observe the Customer's, or the relevant Site owner's, reasonable Site regulations in force from time to time as advised in writing to BT or drawn to BT's attention at the Site. In the event of any conflict between such Site regulations and this Contract, this Contract will prevail.
- 6.3 The Customer will provide a suitable and safe working environment at all Sites for BT employees and anyone acting on BT's behalf.
- 6.4 BT will not be liable for any failure to provide Service which is due or mainly due to the access requirements described in Sub-clause 6.1 not being met, to the extent that such requirements are not met, or to a suitable and safe working environment not being provided for BT employees or for anyone acting on BT's behalf at any Site, to the extent that such environment is not provided.

7. USE OF THE SERVICE

- 7.1 It is the Customer's responsibility to obtain and keep in force any licence necessary for the Customer to use the Service, and not to permit any third party to use the Service where such third party does so in the absence of, or in breach of, any licence necessary for it to do so. Without prejudice to the generality of the foregoing, this includes any licence or consent required from a Broadcasting Authority.
- 7.2 The Service must not be used in a way that:
- (a) places BT in breach of BT's Licence, or in breach or contravention of the Telecommunications Act 1984, or of the Broadcasting Acts 1990 or 1996, or gives rise to proceedings being taken against BT under Section 13 of the Broadcasting Act 1990; or
 - (b) does not comply with any advice given by BT under Sub-clause 2.5 or which does not comply with Clause 5.
- 7.3 The Customer must indemnify BT against any claims or legal proceedings which are brought or threatened against BT :
- (a) by any third party because the Service is used in breach of Sub-clause 7.1 or 7.2; or
 - (b) by any third party the Customer permits to use the Service if the Service not available for use by that third party because of any failure of the Service; or
 - (c) by any third party because the Customer's Content Signals are in breach of any duty of confidentiality or privacy, or infringe or prejudice any intellectual property rights, or are defamatory or obscene, or are otherwise unlawful.

- 7.4 (a) Where any of such claims or proceedings described in Sub-clause 7.3 are of a criminal nature, or are likely to affect BT's Licence or any rights or obligations of BT arising out of BT's Licence, or BT's compliance with, breach or contravention of, or exercise of any rights under, the Telecommunications Act 1984 or the Broadcasting Acts 1990 or 1996, BT will retain conduct and control of such claims or proceedings but it will be a condition of this indemnity that BT will notify the Customer promptly in writing (so far as practicable) of any such claims or proceedings, make no admission in relation to the same without prior consultation with the Customer, and keep the Customer as fully informed as practicable as to the progress of such claims or proceedings.
- (b) In relation to any other such claims or proceedings, it will be a condition of this indemnity that BT must :-
- (i) notify the Customer promptly in writing of such claim or proceeding;
 - (ii) make no admission in relation to the same;
 - (iii) allow the Customer to conduct all negotiations and proceedings, subject to regular consultation with BT, and give the Customer all reasonable assistance in doing so (the Customer will pay BT's reasonable costs and expenses for such assistance).
- 7.5 If as a result of use of Service in contravention of Sub-clause 7.1 or 7.2 BT is prevented by an injunction or other order of a court of competent jurisdiction from providing the Service, or receives an order or instruction from a competent authority to cease providing the Service, or, in its reasonable opinion, after consultation with the Customer, is exposed to criminal liability if it continues to provide the Service, without prejudice to its right to terminate this Contract BT may suspend the Service until such court order is lifted or, in the case of criminal liability, BT receives such

assurances as BT reasonably considers to be sufficient that there will be no criminal liability arising from restoration of the Service.

7.6 The limitations and exclusions of liability contained in Clause 12 do not apply to this Clause.

8. INTELLECTUAL PROPERTY RIGHTS

8.1 Where software is provided to enable the Customer to use the Service, BT grants the Customer a non-exclusive, non-transferable licence to use the software for that purpose.

8.2 The Customer will not, without BT's prior written consent, copy or (except as permitted by law) decompile or modify the software, nor copy the manuals or documentation. The Customer will be entitled to a minimum of 3 copies of appropriate software, manuals and documentation.

8.3 The Customer will sign any agreement reasonably required by the owner of the copyright in the software to protect the owner's interest in that software, provided this does not result in any adverse financial consequences for the Customer.

9. INTELLECTUAL PROPERTY RIGHT INDEMNITIES

9.1 BT will indemnify the Customer against all claims and proceedings arising from infringement of any intellectual property rights by reason of BT's provision of the Service to the Customer. As a condition of this indemnity the Customer must:

- (a) notify BT promptly in writing of any allegation of infringement;
- (b) make no admission relating to the infringement;
- (c) allow BT to conduct all negotiations and proceedings, subject to regular consultation with the Customer, and give BT all reasonable assistance in

doing so (BT will pay the Customer's reasonable costs and expenses for such assistance); and

- (d) allow BT to modify the Service, or any item provided as part of the Service, so as to avoid the infringement, provided that the modification does not materially affect the performance of the Service or increase the Customer's costs. For these purposes any reduction in availability of Service will be regarded as material.

9.2 The indemnity in Sub-clause 9.1 does not extend to infringements caused by any Customer equipment, software, or services, or any combination of them, used in conjunction with the Service, except in all cases where such matters are permitted under this Contract. The Customer will indemnify BT against all claims, proceedings and expenses arising from such infringements on the same terms (*mutatis mutandis*) as the indemnity by BT contained in Sub-clause 9.1.

9.3 The limitations and exclusions of liability contained in Clause 12 do not apply to this Clause.

10. CONFIDENTIALITY

10.1 The parties will keep in confidence any information (whether written or oral) of a confidential nature (including software and manuals) obtained under this Contract and will not disclose that information to any person, other than those persons listed in Schedule 9 who need to know the information, without the written consent of the other party.

10.2 This Clause 10 will not apply to:

- (a) any information which has been published, other than through a breach of this Contract;
- (b) information lawfully in the possession of the recipient before the disclosure under this Contract took place;

- (c) information obtained from a third party who the recipient reasonably believed was free to disclose it; and
- (d) information which a party is required to disclose to a competent regulatory authority, or information which a party is requested to disclose and, if it did not, could be required by law to do so.

10.3 This Clause 10 will remain in effect for as long as the information remains confidential, unless the parties otherwise agree.

11. CHARGES AND DEPOSITS

11.1 The Charges for the Service, calculated in accordance with the BT Price List, are as set out in Schedule 2. Charges will commence and fall due as specified in Schedule 2.

11.2 The Customer will pay the Charges within 45 days of the date of BT's invoice, provided that the invoice date will not be earlier than the payment dates described in Schedule 2. BT may charge daily interest on late payments at a rate equal to 4% per annum above the base lending rate of Midland Bank plc.

12. LIMITATION OF LIABILITY

12.1 BT accepts liability for late provision and the quality of the Service, other than where caused by an event covered by Clause 13, but only to the extent stated in Sub-clauses 2.2 and 2.3 and Schedule 3.

12.2 Each party accepts unlimited liability for death or personal injury resulting from its negligence. Sub-clauses 12.3 and 12.4 do not apply to such liability.

12.3 Except for the Customer's obligations under Clauses 7, 11 and 15 and Schedule 2, and BT's obligations under Clause 9, neither party will be liable to the other, either in contract, tort (including negligence) or otherwise for any direct or indirect loss of profits, business or anticipated savings, nor for any indirect or consequential loss or damage.

12.4 Except for the Customer's obligations under Clauses 7, 11 and 15 and Schedule 2, and BT's obligations under Clause 9, Sub-clauses 2.2 and 2.3 and Schedule 3, each party's liability to the other in contract, tort (including negligence) or otherwise in relation to this Contract is limited to (Pounds)2 million for any one incident or series of related incidents and to (Pounds)4 million for all incidents in any period of 12 months.

12.5 Each provision of this Contract, excluding or limiting liability, operates separately. If any part is held by a court to be unreasonable or inapplicable, the other parts will continue to apply.

13. MATTERS BEYOND EITHER PARTY'S REASONABLE CONTROL

13.1 If either party is unable to perform any obligation under this Contract because of a matter beyond that party's reasonable control (for the purposes of this Clause 13, a "Force Majeure event"), such as lightning, flood, exceptionally severe weather, fire, explosion, war, civil disorder, or acts of local or central Government or other competent authorities or events beyond the reasonable control of that party's suppliers, that party will have no liability to the other for that failure to perform. The period of such excused non-performance will be limited to the duration of the Force Majeure event, and the party unable to perform any obligation because of the Force Majeure event will give prompt notice to the other of any claim that the performance of its obligations under this Contract is prevented or adversely affected by a Force Majeure event (giving details so far as practicable of the nature of the Force Majeure event preventing or adversely affecting performance and the estimated duration of non-performance), will give similar notice when its performance is resumed or ceased to be adversely affected, and will use all reasonable endeavours to recommence performance as soon as practicable, to mitigate and eliminate the consequences of the Force Majeure event, and to inform the other party of the steps which it is taking or proposing to take to do so.

13.2 In the event of any failure by BT to provide Service to any single Region or to all Regions because of a Force Majeure event, except for any such Force Majeure event that also constitutes a breach by the Customer of its obligations under this Contract, or a failure to meet BT's requirements as described in Clauses 4 and 6, or an event described in Sub-clause 4.4 (for the purposes of this Clause 13, an "Excluded Event") :-

- (a) BT will consider all practicable options, depending on the nature and extent of any such failure, that are available to restore Service at the earliest practicable opportunity, including the use of alternative temporary facilities. Where BT considers the use of alternative temporary facilities would achieve an earlier restoration of Service than the repair of the normal facilities used to provide Service, BT will use all reasonable endeavours to provide such alternative temporary facilities as soon as reasonably practicable to provide the Service. Such alternative temporary facilities will be deemed to be acceptable if they meet the Acceptance Criteria;
- (b) where BT is unable to either repair the normal facilities used to provide Service or provide such alternative temporary facilities within 42 days of the commencement of the non-performance, the Customer will be entitled, by written notice expiring at the end of such 42-day period, to require this Contract to be amended such that the part of the Service affected by such non-performance is removed from this Contract and the Customer and BT are each relieved of their respective obligations to pay for and provide the part of the Service affected by such non-performance for the remainder of the term of the Contract;
- (c) the Customer will only be liable to pay 50% of the annual rental charges (apportioned on a daily basis over a year) applying to the parts of the Service affected by such failure for the duration of such failure.

13.3 For the avoidance of doubt, the provisions of Sub-clause 13.2 will not apply in the event of any failure by BT to perform any obligations because of an Excluded Event, and in such a case the Customer will remain liable for payment of the full Charges.

14. ESCALATION AND DISPUTE RESOLUTION

14.1 If a dispute arises between the parties to this Contract, the parties will use their reasonable endeavours to settle the dispute in accordance with the following procedures:

(a) a dispute which has not been settled by the Customer's representative and the BT representative within 7 days of the matter being raised, may be escalated by either party to the first level by written notice to the other party;

(b) if the dispute is not resolved at the first level within 7 days of escalation either party may refer the dispute to the second level.

The parties' representatives and the people to whom a dispute must be escalated at the first and second levels are as notified by either party to the other from time to time.

14.2 If the dispute is a technical dispute and is still not resolved 28 days after escalation to the second level then the dispute may be referred to a single arbitrator to be agreed by BT and the Customer, or, failing agreement, to be appointed by the President of the Institution of Electrical Engineers, in accordance with and subject to the provisions of the Arbitration Acts 1950 to 1979 or any statutory modification or re-enactment of those Acts.

14.3 If a dispute is other than a technical dispute and is not resolved after the procedures set out in Sub-Clause 14.1 have been followed then, if the parties agree, the dispute will be referred to a mediator:

- (a) the mediator will be appointed by agreement of the parties. In the event of a failure to agree within 3 days of a proposal by one party, the mediator will be appointed by the Centre for Dispute Resolution (CEDR);
- (b) within 14 days of the appointment of the mediator the parties will meet with the mediator in order to agree the procedure to be adopted for the negotiations;
- (c) all negotiations connected with the dispute will be conducted in confidence and without prejudice to the rights of the parties in any further proceedings;
- (d) if the parties reach agreement on the resolution of the dispute the agreement will be put in writing and once signed by the parties will be binding on them;
- (e) if the parties are not prepared to agree to the dispute being referred to a mediator or fail to reach agreement within 2 months of the mediator being appointed then either party may exercise any remedy that it has under this Contract.

15. TERMINATION OF THIS CONTRACT BY NOTICE

- 15.1 This Contract will terminate automatically at the expiry of the Minimum Period unless both parties agree to extend or renew it, provided that the Customer may extend the duration of the Minimum Period of this Contract for a period of up to nine months upon giving BT written notice not later than the eleventh anniversary of the first Service Delivery Date.
- 15.2 If the Customer terminates this Contract or the Service during the Minimum Period (other than in accordance with a right under in this Contract) the Customer must pay BT a sum equal to the Charges for the remaining part of the Minimum Period, discounted, in recognition of the Charges being paid in

a lump sum to BT upon termination, by using the 3 month Sterling London Interbank Offer Rate quoted by Midland Bank plc, London on the date of termination. Such sum will be paid by the Customer within 45 days of BT's invoice, and BT may charge daily interest on late payment in accordance with Sub-clause 11.2.

15.3 In mitigation of BT's losses on termination in breach by the Customer as described in Sub-clause 15.2 :-

- (a) BT will use all reasonable endeavours to contract to provide DTTV Service to other customers using the facilities used to provide the Service under this Contract, provided that BT will not be required to contract on a basis other than the standard prices, terms and conditions applicable to the DTTV Service. Provided the Customer has paid the sum described in Sub-clause 15.2, BT will pay to the Customer the money it obtains from any such other customer(s) (less BT's reasonable costs and expenses (if any) incurred in contracting with any such customer(s)) to the extent that the money obtained from such other customer(s) relates to facilities utilised to provide the Service under this Contract and provided that such payment(s) will not exceed in total the sum paid by the Customer under Sub-clause 15.2. Such payment(s) will be made by BT within 45 days of receipt, and the Customer may charge interest on late payment at a rate equal to 4% per annum above the base lending rate of Midland Bank plc; and
- (b) If BT has not been able to so contract with another customer within 12 months of such termination in breach by the Customer, BT will use all reasonable endeavours to redeploy and reutilise any of the facilities used to provide Service under this Contract on reasonable terms, subject to any regulatory considerations that may apply. Provided the Customer has paid the sum described in Sub-clause 15.2, BT will pay to the Customer any money it obtains from such redeployment or reutilisation less BT's reasonable costs and expenses (if any) incurred in such redeployment or reutilisation, provided that such payments will not exceed in total the sum paid by the Customer under Sub-clause 15.2. Such payment(s) will be made by BT

within 45 days of receipt, and the Customer may charge interest on late payment at a rate equal to 4% per annum above the base lending rate of Midland Bank plc.

15.4 In addition to any rights of termination specified elsewhere in this Contract, if the industry for digital terrestrial television services as a whole fails, such that all holders of Broadcasting Authority licences or other UK government authorisations permanently cease to provide digital television services and all Broadcasting Authority licences or other UK government authorisations are permanently terminated, surrendered, withdrawn or otherwise revoked or ceased, then :-

- (a) if such event occurs on or after the fifth anniversary of the first Service Delivery Date, the Customer will be entitled to terminate the Contract on giving BT twelve calendar months' written notice, without liability for any further payment other than the Charges payable during the notice period; or
- (b) if such event occurs prior to the fifth anniversary of the first Service Delivery Date, the Customer may terminate this Contract on one month's written notice, subject to payment, prior to expiry of the notice, of a sum equivalent to all Charges payable by the Customer from the date such notice was given up to the fifth anniversary of the first Service Delivery Date, discounted by using the 3 month Sterling London Interbank Offer Rate quoted by Midland Bank plc, London on the date of termination.

15.5 If the Customer (other than as a result of an event described in Sub-clause 16.1 (d) or as a result of any breach by the Customer of its Broadcasting Authority licence or other UK government authorisation) permanently ceases, in good faith, to provide one or more of the DTTV Multiplex Services for which it has a Broadcasting Authority licence or other UK government authorisation, such that its Broadcasting Authority licence or other UK government authorisation is permanently terminated, surrendered, withdrawn or otherwise revoked or ceased, and is not

transferred or reissued to a connected company, then :-

- (a) the Customer will use all reasonable endeavours in good faith to effect a transfer to any replacement licensee or other UK government authorisee of the part of the Service used to provide such permanently ceased DTTV Multiplex Service, but if such transfer does not take place, then
- (b) the Customer will be entitled, by written notice, to require this Contract to be amended such that the part of the Service used to provide such permanently ceased DTTV Multiplex Service is removed from this Contract and the Customer and BT are each relieved of their respective obligations to pay for and provide such part of the Service from the fifth anniversary of the first Service Delivery Date, or if such notice is given after the fifth anniversary of the first Service Delivery Date, from twelve calendar months from the date of the notice.

16. BREACHES OF THIS CONTRACT

16.1 Either party may terminate this Contract without notice if the other:

- (a) commits a material breach of this Contract, which is capable of remedy, and fails to remedy the breach as soon as is reasonably practicable or in any event within 30 days of a written notice to do so; or
- (b) commits a material breach of this Contract which cannot be remedied; or
- (c) is repeatedly in breach of this Contract; or
- (d) is the subject of a bankruptcy order, or becomes insolvent, or makes any arrangement or composition with or assignment for the benefit of their creditors, or goes into voluntary (otherwise than for reconstruction or

amalgamation) or compulsory liquidation or a receiver or administrator is appointed over their assets.

16.2 If the Customer commits any of the acts detailed in Sub-clauses 16.1 (a) or (c), or an event detailed in Sub-clause 16.1 (d) happens to the Customer, (except for acts or events covered by Sub-clause 7.5), BT may suspend the Service without prejudice to its right to terminate this Contract, provided that in the case of a suspension under Sub-clauses (a) or (c) BT must, after the expiry of 45 days, either resume Service or exercise its right to terminate this Contract. Where the Service is suspended under this Clause, the Customer must pay the charges for the Service until this Contract is terminated.

16.3 If this Contract is terminated by BT during the Minimum Period because of an event specified in Sub-clause 16.1, the Customer must pay BT a sum calculated in accordance with Sub-clause 15.2.

16.4 If either party delays in acting upon a breach of this Contract that delay will not be regarded as a waiver of that breach. If either party waives a breach of this Contract that waiver is limited to that particular breach.

17. CHANGES TO THIS CONTRACT

17.1 Changes to the Service

- (a) If the Customer wishes to change the location of the Playout Centres from which, or the Transmitter Sites to which, the Service is provided, or to make any other changes to the Service, it must notify BT in writing.
- (b) The parties will discuss the proposed change.
- (c) Within a reasonable time of receipt of a proposed change, or the date of the discussions under Sub-clause 17.1(b), BT will notify the Customer in writing whether or not BT can accommodate the change, and of the likely

timescale, financial, contractual, technical and other effects (if any) of the proposed change.

- (d) Within a reasonable time of notification of the effects of a proposed change the Customer will advise BT whether it wishes this Contract to be amended to incorporate the change and BT will carry out such change on the terms agreed.

PROVIDED THAT BT agrees that, in any event :-

- (i) where the Customer requires the Service to be provided to additional transmitter sites (other than the Transmitter Sites), subject to the maximum specified in paragraph 2 of Schedule 2, the formula to be applied to calculate the Charges for additional transmitter site access payable by the Customer in such circumstances will be that set out in paragraph 2 of Schedule 2, and BT will comply with any such request subject to completion of the appropriate Contract Change Order and to six months' prior written notice of the new Service Preliminary Testing Date;
- (ii) where the Customer requests BT to reconfigure the Service to meet any changes to its (or its own customer DTTV Multiplex Service operators') regional distribution requirements, BT will consider such requests and if feasible, carry out any such changes, provided the Customer will pay any reasonable additional charge;
- (iii) where appropriate, if the Customer requests BT to make changes to the Service which are for the benefit of one of the Customer's own customer digital television multiplex operators, any proposals BT makes for consequential adjustment of the Charges will be calculated solely in relation to such customer of the Customer.

17.2 Changes to dates

17.2.1 Where the actual industry launch date for digital terrestrial television services, as agreed with all other customers for the DTTV Service, is later than 31 October 1998, the Customer will be entitled to substitute the earlier of such actual industry launch date or 31 January 1999 for 31 October 1998 in the definition of the Minimum Period in Clause 1, so that the Minimum Period expires of the 12th anniversary of such substituted date, by giving three months' prior written notice to BT expiring not later than 31 October 1998. Where such notice is given:-

- (a) the Service Preliminary Testing Dates, the Service Full Testing Dates, and the Service Delivery Dates (both for Phase 1 and Phase 2 Transmitter Sites) will each be commensurately deferred unless the parties agree otherwise; and
- (b) amendments reflecting such deferral of dates will be deemed to be made to Part 1 of Schedule 3, such that Late Delivery Payments will apply only in respect of the respective deferred dates; and
- (c) the Implementation Plan will be amended to reflect such deferral of dates.

17.2.2 If the Customer is unable to use the Service at any particular Phase 2 Transmitter Site due to inability to obtain frequency clearance to transmit from such Phase 2 Transmitter Site, then, subject to giving four months prior written notice expiring not later than the Service Preliminary Testing Date for such Phase 2 Transmitter Site, the Customer may either postpone delivery of Service to such Phase 2 Transmitter Site, or substitute an alternative transmitter site for delivery of the Service, provided that:-

- (a) When frequency clearance is obtained in respect of such Phase 2 Transmitter Site or any substituted transmitter site, the Customer will give BT six months' prior written notice of the new Service Preliminary Testing Date applying to the provision of Preliminary Testing Service to such

Phase 2 Transmitter Site, and the new Service Full Testing Date for provision of Full Testing Service to such deferred or substituted Phase 2 Transmitter Site will be not earlier than 31 days after the new Service Preliminary Testing Date, and the new Service Delivery Date for provision of fully operational Service to such deferred or substituted Phase 2 Transmitter Site will not be earlier than 30 days after the new Service Full Testing Date; and

- (b) amendments reflecting such deferral of dates will be deemed to be made to Part 1 of Schedule 3, such that Late Delivery Payments will apply only in respect of any delays beyond the respective deferred dates; and
- (c) the Implementation Plan will be amended to reflect such deferral of dates.

17.2.3 If any changes are agreed to any of the Service Preliminary Testing Dates, Service Full Testing Dates, or Service Delivery Dates in relation to any Transmitter Site, then such changes will, unless otherwise agreed, have effect to change such other Dates in relation to that Site to reflect their current respective intervals, and to invoke a review of the Implementation Plan in order to make appropriate changes to reflect such revised Dates.

17.3 At agreed intervals of not less than 4 years the parties will collaborate on a technical review of the BT Equipment and other distribution equipment available on the market. Where opportunities are identified, from such technical review, to improve or enhance the Service, or to operate the Service more cost effectively the parties will co-operate in good faith. Should there be such an opportunity to operate the Service more cost-effectively BT will share with the Customer and other customers for the DTTV Service any benefits arising from such technology improvement with due regard to the need for BT to achieve a reasonable rate of return on both the item(s) of new BT Equipment which is/are required to be installed and of the original BT Equipment which is/are required to be replaced or is/are rendered obsolete as a result of the implementation of such improvements.

17.4 Where the parties agree a change to this Contract it will be recorded in writing on a Contract Change Order Form in the form set out in Schedule 10 and will then form part of this Contract when signed by both parties.

18. INSURANCE

Throughout the period of this Contract both parties will maintain appropriate insurance against loss, damages, claims or actions arising from personal injury, public liability and any other liability for which either is required by law to insure.

19. ASSIGNMENT

Neither party may assign or transfer any of their rights or obligations under this Contract, without the written consent of the other, except that BT may assign or transfer its rights or obligations (or both) to a BT Group Company without consent, and BT will not unreasonably refuse consent to the Customer's transferring its rights and obligations under this Contract to another DTTV Multiplex Service operator or to a Group Company of the Customer.

20. ENTIRE AGREEMENT

20.1 This Contract contains the whole agreement between the parties and supersedes all previous written or oral agreements relating to its subject matter.

20.2 The parties acknowledge and agree that:

- (a) they have not been induced to enter into this Contract by any representation, warranty or other assurance not expressly incorporated into it; and
- (b) in connection with this Contract their only rights and remedies in relation to any representation, warranty or other assurance are for breach of this

SCHEDULE 1

DESCRIPTION OF THE SERVICE

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SCHEDULE 1

PART 1: SERVICE

1. GENERAL

- 1.1 The Service is a uni-directional service, provided via a diversely routed network for the distribution of the Customer's Content Signals provided from a Distribution Input Interface to a Distribution Output Interface, in accordance with the description as detailed in this Schedule and the Functional Design Specification.
- 1.2 The DTTV Distribution Network will provide capacity for the carriage of Service Information ("SI") from a central SI Collation Site, which will be located at either British Digital Broadcasting Plc's premises at Marco Polo House, 346, Queenstown Road, London SW8 4NE, or at the Channel 4 Television Corporation's premises at Channel 4, 124, Horseferry Road, London SW1P 2TX (to be agreed) ("the central SI Collation Site"), to Transmitter Sites designated as Service Insertion Points ("SIPs"). BT will accept the Customer's DTTV Multiplex Services feeds and deliver these signals to agreed main and daughter Transmitter Sites. The SI capacity will be diversely routed. The network design will ensure that the two feeds are physically and electrically separate. BT will provide 5 Mbit/s of capacity relating to all digital multiplexes from the central SI Collation Site throughout the DTTV Distribution Network for use by all customers for the DTTV Service.

Part 4 of Schedule 1 provides a list of SIP Transmitter Sites and their associated daughter Transmitter Sites, which may be subject to review, following discussion by the Digital Network Group.

The industry's arrangements for the carriage of SI have yet to be defined. The exact arrangements will be defined when the solution is known. Provided that such arrangements are notified to BT by not less than four

months prior to the first Service Delivery Date, BT will provide capacity to the Customer for carriage of SI to each Transmitter Site by its respective Service Delivery Date.

- 1.3 Service monitoring and management systems will provide both BT and the Customer with appropriate network status and management information in accordance with the Network Management Service described in Schedule 7. The Network Management Service will be available to each Transmitter Site from its respective Service Full Testing Date.
 - 1.4 Initially, the Service will be provided via two unswitched DVB ASI transport streams at each Distribution Output Interface, but BT will provide, by no later than the expiry of twelve calendar months after the first Service Delivery Date, an output switching facility at each Transmitter Site and RPOC (but not at Playout Centres) providing two continuous DVB ASI transport streams such that, in the event of a single failure, output switching and restoration can take place, provided that, in respect of Transmitter Sites where the Service Full Testing Date occurs after the expiry of twelve calendar months after the first Service Delivery Date, such switching facility will be made available on their respective Service Full Testing Dates. Such switching facility will not include any switching or restoration associated with SI.
2. CUSTOMER-SPECIFIC SERVICE DESCRIPTION
- 2.1 Service for Customer's Content Signals originating from BDB
 - 2.1.1 The Customer will provide two identical feeds of each of the Customer's Content Signals in respect of each of BDB's three DTTV Multiplex Services to BT Distribution Input Interfaces (designated Feed A and Feed B) for interconnection with BT provided ASI multiplexes located within the BDB London Playout Centre detailed in Schedule 1, Part 3, Table 1.
 - 2.1.2 Access to the DTTV Distribution Network will be provided from BDB's London Playout Centre via separately routed fibre optic circuits. One route will terminate

at a BT CNAP. The second route will terminate at a (separate) BT SNAP.

- 2.1.3 The Customer's Content Signals will be conveyed throughout the diversely routed fibre optic DTTV Distribution Network capacity via further CNAPs and SNAPs. The network will be designed such that the A Feed and B Feed will be physically and electrically separate.
- 2.1.4 The DTTV Distribution Network will support a maximum of the seven regional feeds for BDB set out in the Table at the end of this paragraph 2.1 below. Each regional feed will be carried to the relevant CNAP and SNAP where it will be combined with the appropriate regional feed for the Customer's Content Signals originating from the BBC.
- 2.1.5 At the terminal CNAP and SNAP for each region, diversely routed capacity will be provided by BT to convey the A and B Feed to the SIP Transmitter Sites and their respective associated Dependent Transmitter Sites shown in Schedule 1, Part 4, Table 1. The network design will be designed such that the two feeds will be physically and electrically separate. At Sites, BT will aim for physical separacy of A and B Feeds of 4 metres, unless constrained by local conditions or restrictions imposed by Site owners.
- 2.1.6 Each of the three BDB DTTV Multiplex Services will have a nominal total bitrate of 24.1 Mbit/s (together totalling 72 Mbit/s from BDB's London Playout Centre), being useable bitrate without error correction or system overheads, but excluding SI capacity.
- 2.1.7 Subject to paragraph 1.2 above, the DTTV Distribution Network will provide capacity for the carriage of SI from the central SI Collation Site to Transmitter Sites. At the respective Transmitter Sites shown in column 2, Table 2, Part 4, Schedule 1 ("SIP Transmitters") BT will accept feeds for SI for both BDB and BBC DTTV Multiplex Services and deliver them to their respective associated Transmitter Sites shown in column 2, Table 2, Part 4, Schedule 1 ("Dependent Transmitters"). The network will be designed such that the two feeds will be physically and electrically separate.

2.1.8 Circuits from CNAPs and SNAPs to Transmitter Sites will be provided using a mixture of fibre, line systems and radio technology. Part 5 of Schedule 1 sets out provisioning plans for each Transmitter Site.

TABLE

REGION	DESTINATION 1	DESTINATION 2	DESTINATION 3	DESTINATION 4
1 Midlands	Birmingham			
2 South	Southampton	Plymouth	Jersey/1/	
2 South	Bristol			
2 South	Norwich			
3 North	Manchester	Leeds	Carlisle	Newcastle
4 Scotland	Glasgow	Aberdeen		
5 N Ireland	Belfast			
6 Wales	Cardiff			
7 London	London			

NOTES :

/1/ Exact arrangements for Jersey are under discussion

2.2 Service for Customer's Content Signals originating from BBC

2.2.1 The Customer will provide two identical feeds of the Customer's Content Signals in respect of the BBC's DTTV Multiplex Service from each of the Playout Centres detailed in Schedule 1, Part 3, Table 2 to BT Distribution Input Interfaces (designated Feed A and Feed B) for interconnection with BT provided ASI multiplexes located within each Playout Centre.

2.2.2 Access to the DTTV Distribution Network will be provided from each Playout Centre via diversely routed fibre optic circuits. One route will terminate at a BT CNAP. The second route will terminate at a (separate) BT SNAP.

2.2.3 At the terminal CNAP and SNAP for each region, diversely routed capacity will be provided by BT to convey the A and B Feed to the SIP Transmitter Sites and their

respective associated Dependent Transmitter Sites shown in Schedule 1, Part 4, Table 2. The network will be designed such that the two feeds will be physically and electrically separate. At Sites, BT will aim for physical separacy of A and B Feeds of 4 metres, unless constrained by local conditions or restrictions imposed by Site owners.

- 2.2.4 The BBC DTTV Multiplex Service will have a nominal total bitrate of 24.1 Mbit/s from each Playout Centre, being useable bitrate without error correction or system overheads, but excluding SI capacity. Where there are sub-regions, two may be combined into a single feed distribution feed with the appropriate feed delivered to each Transmitter Site.
 - 2.2.5 For SI capacity, see paragraphs 1.2 and 2.1.7 above.
 - 2.2.6 Circuits from CNAPs and SNAPs to Transmitter Sites will be provided using a mixture of fibre, line systems and radio technology. Part 5 of Schedule 1 sets out provisioning plans for each Transmitter Site.
3. PRELIMINARY TESTING SERVICE AND FULL TESTING SERVICE
- 3.1 Preliminary Testing Service will consist of one feed of Customer's Content Signals to the relevant Transmitter Sites. BT will make reasonable endeavours to provide two feeds of Customer's Content Signals (Feed A and Feed B), available for network testing by the Customer, to the relevant Transmitter Sites, but in the event of only one such feed being available this will be acceptable for the purposes of the Preliminary Testing Service. Preliminary Testing Service will not include SI or Network Management Service.
 - 3.2 Full Testing Service will consist of the provision of two feeds of Customer's Content Signals (Feed A and Feed B), available for network testing by the Customer, to the relevant Transmitter Sites. Full Testing Service will include Network Management Service, but will not include SI.
 - 3.3 Fully operational Service will consist of the provision of two feeds of Customer's Content Signals (Feed A and Feed B) to the relevant Transmitter Sites.

Fully operational Service will include output switching facilities, to be introduced in accordance with paragraph 1.4 above, and will also include Network Management Service and, subject to paragraph 1.2 above, SI.

4. DISTRIBUTION INPUT AND OUTPUT INTERFACE CHARACTERISTICS

4.1 Distribution Input Interfaces will comply with the following:-

4.1.1 Electrical:-

- (a) Customer's transport streams must be DVB compliant in ASI format, being non-interleaved, byte stuffed ASI streams optimised for maximum linearity conforming to DVB BLUE BOOK A010 REV 1.0 "Interfaces for CATV/SMATV Headends and Similar Professional Equipment", May 1997. (BT cannot provide full monitoring of the ASI streams if data interleaving is present);
- (b) signals to preferably have RS encoding 188/204;
- (c) termination / source impedance to be 75 ohms unbalanced;
- (d) the input signal will preferably be continuous and will be error free;

4.1.2 Physical:-

- (a) a MUSA patch panel will be provided with each set of BT terminal equipment. The patch panel will act as the Customer to BT signal interface point;
- (b) all Customer connections will be by means of BNC connectors at the rear of the patch panel;
- (c) test access points will be provided using MUSA U-Links.

4.2 Distribution Output Interfaces will comply with the following:-

4.2.1 Electrical:-

- (a) signal interface will be DVB ASI as DVB BLUE BOOK A010 REV 1.0 "Interfaces for CATV/SMATV Headends and Similar Professional Equipment", May 1997;
- (b) termination / source impedance will be 75 ohms unbalanced;

4.2.2 Physical:-

- (a) a MUSA patch panel will be provided near each set of BT terminal equipment as a BT to Customer signal hand over point;
- (b) all Customer connections will be by means of BNC connectors at the rear of the patch panels;
- (c) test access points will be provided using MUSA U-Links.

SCHEDULE 1

PART 2 : TRANSMITTER SITES, TRANSMITTER SITE OWNERS, SERVICE PRELIMINARY

TESTING DATES, SERVICE FULL TESTING DATES, SERVICE DELIVERY DATES.

PHASE 1

NUMBER	TRANSMITTER SITES	TRANS-MITTER SITE OWNER	SERVICE PRELIMINARY TESTING DATES	SERVICE TESTING DATES	SERVICE DELIVERY DATES
1	Pontop Pike	CTI	[*]	[*]	[*]
2	Belmont	NTL	[*]	[*]	[*]
3	Wenvoe	CTI	[*]	[*]	[*]
4	Blackhill	NTL	[*]	[*]	[*]
5	Caldbeck	NTL	[*]	[*]	[*]
6	Caradon Hill	NTL	[*]	[*]	[*]
7	Emley Moor	NTL	[*]	[*]	[*]
8	Durris	NTL	[*]	[*]	[*]
9	Craigkelly	NTL	[*]	[*]	[*]
10	Winter Hill	NTL	[*]	[*]	[*]
11	Stockland Hill	NTL	[*]	[*]	[*]

[*] Indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

NUMBER	TRANSMITTER SITES	TRANS-MITTER SITE OWNER	SERVICE PRELIMINARY TESTING DATES	SERVICE TESTING DATES	SERVICE DELIVERY DATES
12	Sutton Coldfield	CTI	[*]	[*]	[*]
13	Crystal Palace	CTI	[*]	[*]	[*]
14	Bilsdale	CTI	[*]	[*]	[*]
15	Mendip	CTI	[*]	[*]	[*]
16	Waltham	CTI	[*]	[*]	[*]
17	Hannington	CTI	[*]	[*]	[*]
18	Divis	CTI	[*]	[*]	[*]
19	Rowridge	CTI	[*]	[*]	[*]
20	Sandy Heath	NTL	[*]	[*]	[*]
21	Oxford	CTI	[*]	[*]	[*]
22	Moel y Parc	CTI	[*]	[*]	[*]
23	Sudbury	CTI	[*]	[*]	[*]
24	Fremont Point	NTL	[*]	[*]	[*]

*THE AGREEMENT OF THE DATES FOR THIS TRANSMITTER SITE IS SUBJECT TO JERSEY

 TELECOM DELIVERY WHICH BT WILL USE ALL REASONABLE EFFORTS TO OBTAIN.

[*] Indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

PHASE 2

- - - - -

NUMBER	TRANSMITTER SITES	TRANS-MITTER SITE OWNER	SERVICE		
			PRELIMINARY TESTING DATES	SERVICE TESTING DATES	SERVICE TESTING DATES
25	Bluebell Hill	CTI	[*]	[*]	[*]
26	Tacolneston	CTI	[*]	[*]	[*]
27	Darvel	NTL	[*]	[*]	[*]
28	Angus	NTL	[*]	[*]	[*]
29	Midhurst	CTI	[*]	[*]	[*]
30	Selkirk	NTL	[*]	[*]	[*]
31	Rumster Forest	NTL	[*]	[*]	[*]
32	Kilvey Hill	CTI	[*]	[*]	[*]
33	Ridge Hill	NTL	[*]	[*]	[*]
34	Saddleworth	NTL	[*]	[*]	[*]
35	Heathfield	CTI	[*]	[*]	[*]
36	Blaenplwyf	CTI	[*]	[*]	[*]
37	Beacon Hill	NTL	[*]	[*]	[*]
38	Carmel	CTI	[*]	[*]	[*]
39	Sheffield	CTI	[*]	[*]	[*]

[*] Indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

NUMBER	TRANSMITTER SITES	TRANS-MITTER SITE OWNER	SERVICE PRELIMINARY TESTING DATES	SERVICE TESTING DATES	SERVICE DELIVERY DATES
40	Limavady	CTI	[*]	[*]	[*]
41	Nottingham	NTL	[*]	[*]	[*]
42	Dover	NTL	[*]	[*]	[*]
43	Whitehawk Hill	CTI	[*]	[*]	[*]
44	Fenham	CTI	[*]	[*]	[*]
45	Llandona	CTI	[*]	[*]	[*]
46	Guildford	CTI	[*]	[*]	[*]
47	Presely	NTL	[*]	[*]	[*]
48	Rosemarkie	CTI	[*]	[*]	[*]
49	Hemel Hempstead	CTI	[*]	[*]	[*]
50	Lancaster	NTL	[*]	[*]	[*]
51	Bristol IC	CTI	[*]	[*]	[*]
52	Idle	NTL	[*]	[*]	[*]
53	Brougher Mountain	CTI	[*]	[*]	[*]
54	Redruth	CTI	[*]	[*]	[*]
55	Hastings	CTI	[*]	[*]	[*]
56	Chesterfield	NTL	[*]	[*]	[*]
57	Bromsgrove	CTI	[*]	[*]	[*]

[*] Indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

NUMBER	TRANSMITTER SITES	TRANS-MITTER SITE OWNER	SERVICE PRELIMINARY TESTING DATES	SERVICE TESTING DATES	SERVICE DELIVERY DATES
58	Pendle Forest	NTL	[*]	[*]	[*]
59	Chatton	NTL	[*]	[*]	[*]
60	Reigate	CTI	[*]	[*]	[*]
61	Malvern	CTI	[*]	[*]	[*]
62	Rosneath	NTL	[*]	[*]	[*]
63	Bristol Kings Weston	CTI	[*]	[*]	[*]
64	Fenton	CTI	[*]	[*]	[*]
65	Storeton	CTI	[*]	[*]	[*]
66	Tunbridge Wells	CTI	[*]	[*]	[*]
67	The Wrekin	CTI	[*]	[*]	[*]
68	Plympton	NTL	[*]	[*]	[*]
69	Salisbury	CTI	[*]	[*]	[*]
70	Larkstoke	CTI	[*]	[*]	[*]
71	Keighly	NTL	[*]	[*]	[*]
72	Huntshaw Cross	NTL	[*]	[*]	[*]
73	Knock More	NTL	[*]	[*]	[*]
74	Aberdare	CTI	[*]	[*]	[*]
75	Eitshal	CTI	[*]	[*]	[*]

[*] Indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

NUMBER	TRANSMITTER SITES	TRANS- MITTER SITE OWNER	SERVICE PRELIMINARY TESTING DATES	SERVICE TESTING DATES	SERVICE DELIVERY DATES
76	Brierley Hill	CTI	[*]	[*]	[*]
77	Olivers Mount	CTI	[*]	[*]	[*]
78	Keelylang Hill	CTI	[*]	[*]	[*]
79	Pontypool	CTI	[*]	[*]	[*]
80	Torosay	CTI	[*]	[*]	[*]
81	Bressay	CTI	[*]	[*]	[*]

[*] Indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

SCHEDULE 1

PART 3 : PLAYOUT CENTRES

TABLE 1 : BDB PLAYOUT CENTRE

British Digital Broadcasting
Marco Polo House
346, Queenstown Road,
London, SW8 4NE.

SCHEDULE 1

PART 3 : PLAYOUT CENTRES

TABLE 2 : BBC PLAYOUT CENTRES

BBC Belfast
Broadcasting House,
Ormeau Avenue,
Belfast BT2 8HQ

BBC Bristol
Broadcasting House,
Whiteladies Road,
Bristol BS8 2LR

BBC Cambridge
Broadcasting House,
104 Hills Road,
Cambridge CB2 1LD

BBC Cardiff
Broadcasting House,
Llandaff,
Cardiff CF5 2YQ

BBC Glasgow
Queen Margaret Drive,
Glasgow G12 8DG

BBC Leeds
Broadcasting Centre,
Woodhouse Lane,
Leeds LS2 9PX

BBC Manchester
New Broadcasting House,
PO Box 27,
Oxford Road,
Manchester M60 1SJ

BBC Newcastle
Broadcasting Centre,
Barrack Road,
Newcastle upon Tyne NE99 2NE

BBC Norwich
St. Catherine's Close,
All Saints' Green,
Norwich,
Norfolk NR1 3ND

BBC Nottingham
Island Business Park,
London Road,
Nottingham [POSTCODE TBA]

BBC Pebble Mill
Broadcasting Centre,
Pebble Mill Road,
Birmingham B5 7QQ

BBC Plymouth
Broadcasting House,
Seymour Road,
Mannamead,
Plymouth PL3 5BD

BBC Southampton
Broadcasting House,
Havelock Road,
Southampton S014 7PU

BBC TV Centre
White City
London W12

SCHEDULE 1

PART 4 : REGIONAL DISTRIBUTION FROM PLAYOUT CENTRES TO TRANSMITTER SITES

TABLE 1 : BDB REGIONAL DISTRIBUTION

BDB REGION	SIP TRANSMITTER	DEPENDENT TRANSMITTERS
London	Crystal Palace TS	Guildford TS, Reigate TS, Hemel Hempstead TS
South	Heathfield TS	Hastings TS
Midlands	Beckley TS	
Midlands	Ridge Hill TS	
Midlands	Sutton Coldfield TS	Bromsgrove TS, Larkstoke TS, Brierley Hill TS, The Wrekin TS, Fenton TS, Malvern TS
Midlands	Waltham TS	Nottingham TS
N. Ireland	Divis TS	Limavady TS, Brougher Mt. TS
North	Belmont TS	
North	Bilsdale TS	
North	Caldbeck TS	
North	Emley Moor TS	Idle TS, Olivers Mount TS, Keighley TS
North	Pontop Pike TS	Fenham TS, Chatton TS
North	Sheffield TS	Chesterfield TS
North	Winter Hill TS	Saddleworth TS, Storeton TS, Pendle Forest Lancaster TS,
Scotland	Black Hill TS	Craigkelly TS, Torosay TS, Roseneath TS, Darvel TS
Scotland	Durris TS	Eitshall TS, Angus TS, Rosemarkie TS, Rumster Forest TS, Bressay TS, Knocksmore TS, Keelylang TS
North	Selkirk TS	
South	Bluebell Hill TS	Tunbridge Wells TS, Dover TS
South	Fremont Point TS	
South	Hannington TS	
South	Mendip TS	Bristol KW TS, Bristol IC TS
South	Rowridge TS	Salisbury TS, Midhurst TS, Whitehawk Hill TS
South	Sandy Heath TS	
South	Stockland Hill TS	Beacon Hill TS
South	Redruth TS	
South	Huntshaw Cross TS	
South	Caradon Hill TS	Plympton TS
South	Tacolneston TS	Sudbury TS
Wales	Wenvoe TS	Presely TS, Llandonna TS, Carmel TS, Blaenplwyf TS, Aberdare TS, Pontypool TS, Moel y Parc TS, Kilvey Hill TS

SCHEDULE 1

PART 4 : REGIONAL DISTRIBUTION FROM PLAYOUT CENTRES TO TRANSMITTER SITES

TABLE 2 : BBC REGIONAL DISTRIBUTION

BBC SOURCE	SIP TRANSMITTER	DEPENDENT TRANSMITTERS
Belfast	Divis TS	Limavady TS, Brougher Mt. TS
Birmingham	Ridge Hill TS	
Birmingham	Sutton Coldfield TS	Bromsgrove TS, Larkstoke TS, Brierley Hill TS, The Wrekin TS, Fenton TS, Malvern TS
Bristol	Mendip TS	Bristol KW TS, Bristol IC TS
Cambridge	Sandy Heath TS	
Cardiff	Wenvoe TS	Presely TS, Llandonna TS, Carmel TS, Blaenplwyf TS, Aberdare TS, Pontypool TS, Moel y Parc TS, Kilvey Hill TS
Glasgow	Black Hill TS	Craigkelly TS, Torosay TS, Roseneath TS, Darvel TS
Glasgow	Durris TS	Eitshall TS, Angus TS, Rosemarkie TS, Rumster Forest TS, Bressay TS, Knocksmore TS, Keelylang Hill TS
Glasgow	Selkirk TS	
Leeds	Belmont TS	
Leeds	Emley Moor TS	Idle TS, Olivers Mount TS, Keighley TS
Leeds	Sheffield TS	Chesterfield TS
Manchester	Winter Hill TS	Saddleworth TS, Storeton TS, Pendle Forest TS, Lancaster TS
Newcastle	Bilsdale TS	
Newcastle	Caldbeck TS	
Newcastle	Pontop Pike TS	Fenham TS, Chatton TS
Norwich	Tacolneston TS	Sudbury TS
Nottingham	Waltham TS	Nottingham TS
Plymouth	Fremont Point TS	
Plymouth	Stockland Hill TS	Beacon Hill TS
Plymouth	Plymouth TS	
Plymouth	Huntshaw Cross TS	
Plymouth	Caradon Hill TS	Plympton TS
Southampton	Bluebell Hill TS	Tunbridge Wells TS, Dover TS
Southampton	Hannington TS	
Southampton	Rowridge TS	Salisbury TS, Midhurst TS, Whitehawk Hill TS
TV Centre	Beckley TS	
TV Centre	Crystal Palace TS	Guildford TS, Reigate TS, Hemel Hempstead TS
TV Centre	Heathfield TS	Hastings TS

SCHEDULE 1

PART 5 : TRANSMITTER SITE PROVISIONING PLANS

TRANSMITTER LOCATION	FEED A	FEED B
Crystal Palace TS	Fibre	Fibre
Winter Hill TS	Fibre	Fibre
Sutton Coldfield TS	Fibre	Fibre
Emley Moor TS	Fibre	Fibre
Waltham TS	Fibre	Fibre
Black Hill TS	Fibre	Fibre
Sandy Heath TS	Fibre	Fibre
Pontop Pike TS	Fibre	Fibre
Bilsdale TS	Fibre	Radio
Mendip TS	Fibre	Fibre
Bluebell Hill TS	Fibre	Fibre
Hannington TS	Fibre	Fibre
Divis TS	Fibre	Fibre
Midhurst TS	Fibre	Radio
Talconeston TS	Fibre	Fibre
Beckley TS (Oxford)	Fibre	Fibre
Wenvoe TS	Fibre	Fibre
Sudbury TS	Fibre	Fibre
Craigkelly TS	Fibre	Fibre
Ridge Hill TS	Fibre	Radio
Stockland Hill TS	Fibre	Fibre
Whitehawk Hill TS	Fibre	Fibre
Sheffield TS	Fibre	Fibre
Nottingham TS	Fibre	Fibre
Caradon Hill TS	Fibre	Fibre
Caldbeck TS	Fibre	Fibre
Chatton TS	Fibre	Fibre
Hemel Hempstead TS	Fibre	Fibre
Kilvey Hill TS	Fibre	Fibre
Reigate TS	Radio	Radio
Dover TS	Fibre	Fibre
Bristol IC TS	Fibre	Fibre
Beacon Hill TS	Fibre	Fibre
Redruth TS	Fibre	Fibre

Limavady TS	Fibre	Radio
Chesterfield TS	Fibre	Fibre
Bristol KW TS	Fibre	Fibre
Tunbridge Wells TS	Fibre	Fibre
Pontypool TS	Fibre	Radio
Bromsgrove TS	Fibre	Fibre
Brougher Mt. TS	Fibre	Radio
Salisbury TS	Fibre	Fibre
Aberdare TS	Fibre	Fibre
Angus TS	Fibre	Radio
Belmont TS	Fibre	Fibre
Blaen Plwyf TS	Fibre	Fibre
Bressay TS	Radio	Radio
Brierly Hill TS	Fibre	Fibre
Carmel TS	Fibre	Radio
Darvel TS	Fibre	Fibre
Durris TS	Fibre	Fibre
Eitshall TS	Radio	Radio
Fenham TS	Fibre	Fibre
Fenton TS	Fibre	Fibre
Fremont Point TS	Fibre	Fibre
Guildford TS	Fibre	Fibre
Hastings TS	Fibre	Fibre
Heathfield TS	Fibre	Fibre
Huntshaw Cross TS	Fibre	Radio
Idle TS	Fibre	Fibre
Keelylang TS	Radio	Radio
Keighley TS	Fibre	Fibre
Knock more TS	Radio	Radio
Lancaster TS	Fibre	Radio
Lark stone TS	Fibre	Fibre
Llandonna TS	Fibre	Radio
Malvern TS	Fibre	Fibre
Moel y Parc TS	Fibre	Radio
Olivers Mount TS	Fibre	Fibre
Pendle Forest TS	Fibre	Fibre
Plympton TS	Fibre	Fibre
Preseli TS	Fibre	Fibre
Rosemarkie TS	Fibre	Radio
Rosneath TS	Fibre	Radio
Rowridge TS	Fibre	Radio

----- Runster Forest TS	Fibre	Radio
----- Saddleworth TS	Fibre	Fibre
----- Selkirk TS	Fibre	Fibre
----- Storeton TS	Fibre	Fibre
----- The Wrekin TS	Fibre	Radio
----- Torosay TS	Radio	Radio

SCHEDULE 2

CHARGES FOR THE SERVICE

1. CHARGES

1.1 The Charges payable to BT by the Customer will be as follows:

- (a) a Service Connection Charge for Access Circuits of [*] as at 1998 prices; and
- (b) an annual Service Rental Charge of [*] as at 1998 prices in accordance with paragraph 1.2 below.

1.2.1 The Service Rental Charge is calculated in accordance with BT's Price List entry for DTTV Distribution Network Service (DTTV) contained in Section 19, Part 2 of BT's Price List; and BT's Price List entry for Digital Video Broadcasting (DVB) Tariff contained in Section 19, part 2 of BT's Price List.

1.2.2 The Service Rental Charge is subject to indexation in accordance with paragraph 1.3 of this Schedule. The Service Connection Charge is not subject to indexation. The Charges are subject to VAT, which will be added to the Charges and payable by the Customer. The Charges will not otherwise vary during the term of this Contract, unless there is an agreed variation in the Customer's requirements.

1.2.3 Service Rental Charges include the following elements:

- a) Access Circuits (DVB)

Charges for this element of the Service cover the conveyance of DVB stream(s) from the Customer's premises to the DTTV Distribution Network and are calculated in accordance with BT's Price List entry for Digital Video Broadcasting (DVB) Tariff contained in Section 19, part 2 of BT's Price List.

[*] Indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

The charge for Access Circuits for the Customer is [*] p.a. at 1998 prices.

b) DTTV Distribution Network Service (DTTV)

Applicable Charges consist of:

- (i) National Distribution Charges covering the conveyance of the Customer's multiplexed DVB transport stream(s) from the regionally associated CNAP and SNAP to the 14 regional CNAPS and SNAPS comprising the National Distribution element of the DTTV network.

The charge for this element of the Service is [*] p.a. at 1998 prices.

- (ii) Local Distribution Charges covering the conveyance of the Customer's multiplexed DVB transport stream(s) from the 14 regional CNAPS and SNAPS to the relevant Transmitter Sites.

The charge for this element of the Service is [*] p.a. at 1998 prices, but see NOTE below.

NOTE: Local Distribution Charges

During the rollout of Service to the Transmitter Sites Local Distribution Charges will progressively increase in accordance with Service Delivery Dates (subject to 1.4 (b) below) as the Service is provided to more Transmitter Sites, and the Charges shown above in 1.2(b)(ii) will be levied in accordance with the number of Transmitter Sites to which Service is provided. Service to Transmitter Sites will be charged for on

[*] Indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

the basis of an average price for distribution to Transmitter Sites, calculated as follows:-

$$\frac{\text{total Local Distribution Charges}}{81} = Y$$

Where Y is the Local Distribution Charge per Transmitter Site to which Service is provided. Y is then multiplied by the number of Transmitter Sites to which Service is provided.

- 1.2.4 Total Service Rental Charges (on the basis that all Service Delivery Dates are met by BT) at 1998 prices are therefore as follows:

Description	Year 1	Year 2	Year 3
----- onwards -----	-----	-----	-----
Access Charges	[*]	[*]	[*]
National Distribution Charges	[*]	[*]	[*]
Local Distribution Charges	[*]	[*]	[*]
TOTAL	[*]	[*]	[*]

In the event of any changes to the delivery programme, the Local Distribution Charges may vary from those indicated in the above tabulation, as the Local Distribution Charges are payable (subject to 1.4 (b) below) from the relevant Service Delivery Dates.

- 1.3 Charges will be annually increased on each anniversary of the first Service Delivery Date in accordance with the following formula:

[*] Indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

C1 = [*]

where:

C1 = Charges for the current year,

C0 = Charge for the previous year,

X = The arithmetic mean of the percentage increases in the Retail Price Index for each of the 12 months immediately preceding each anniversary of the first Service Delivery Date over the Retail Price Index for each of the corresponding 12 months immediately preceding those 12 months.

PROVIDED THAT:-

- (a) in the event that the above formula results in a negative or zero figure increase for any period, then there will be no increase for that period;
- (b) in the event that the RPI is not available in time for BT to calculate a revised Service Rental Charge on an anniversary of the first Service Delivery Date, then BT will invoice the Customer at the previous year's Service Rental Charge until the RPI is available, when an appropriate adjustment will be made to a following invoice;
- (c) should the RPI cease or fail to be published or should any changes occur to the basis of the RPI, BT and the Customer will make a fair and reasonable adjustment to RPI or, if appropriate, substitute a revised formula which in either event will have substantially the same effects as those specified in this paragraph 1.3.

1.4 The terms of payment for the Charges as above will be as follows:-

- (a) the Service Connection Charge under 1.1(a) above will be payable in two equal instalments on the first and second anniversaries of the first Service Delivery Date;

[*] Indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

- (b) The Service Rental Charge under 1.1(b) above will be payable every two calendar months in advance, with the first payment being due on the first Service Delivery Date, PROVIDED THAT if Service is not provided to a Transmitter Site on the relevant Service Delivery Date and the delay is due to BT, the Service Rental Charge is payable from the date on which Service is provided to that Transmitter Site ("the Operational Service Date").

2. ADDITIONAL TRANSMITTER SITES

The formula to be used to calculate the Charges for additional transmitter site access in accordance with Sub-clause 17.1 (i) will be that the Service Rental Charges for Service to the additional transmitter sites will be based on the Service Rental Charges as described in paragraph 1 above, but subject to a maximum annual charge of [*] at 1998 prices (plus value added tax) per annum per site, such maximum figure being subject to annual indexation in accordance with paragraph 1.3 above from the first anniversary of the first Service Delivery Date to the time the Service is provided to the additional transmitter site(s), provided that such maximum annual charge will only apply to up to an aggregate maximum of 24 additional transmitter sites nominated by the Customer, and where all such sites and circuits to them are within BT's Licensed area in the United Kingdom. The additional Service Rental Charges for Service being provided to such additional transmitter sites will be subject to annual increase in accordance with paragraph 1.3 above. The annual charge referred to above will be apportioned per DTTV Multiplex Service (currently 5) according to any shared utilisation with other customers for the DTTV Service.

[*] Indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

SCHEDULE 3

LATE DELIVERY PAYMENTS AND ABATEMENTS

INDEX

Part 1:	Late Delivery Payments
Part 2:	Loss of Service Definition
Part 3:	Abatements

SCHEDULE 3

PART 1: LATE DELIVERY PAYMENTS

1. GENERAL

In the event of delivery of Preliminary Testing Service after the Service Preliminary Testing Dates, of delivery of Full Testing Service after the Service Full Testing Dates, and/or of delivery of full Service after the Service Delivery Dates, where the delay is due to BT, the Customer will be entitled to claim Late Delivery Payments from BT calculated and payable in accordance with this Part 1 of Schedule 3.

BT will, wherever practicable, co-ordinate its activities with the transmitter providers' build project timetables and to this intent will use reasonable endeavours to provide relevant Service to the Phase 1 Transmitter Sites (as defined below), subject to requirements in Clauses 4 and 6 being met within appropriate earlier timescales, one month prior to relevant Dates, but will not be liable for Late Delivery Payments (or at all) in the event of any such Service not being available on any such Date.

2. LATE DELIVERY PAYMENTS FOR LATE DELIVERY OF PRELIMINARY TESTING SERVICE AND FULL TESTING SERVICE TO PHASE 1 TRANSMITTER SITES

2.1 Where Preliminary Testing Service is not made available to all of the Transmitter Sites listed under the heading Phase 1 in Part 2 of Schedule 1 (the "Phase 1 Transmitter Sites") by midnight on their common Service Preliminary Testing Date, and/or where Full Testing Service is not made available to all of the Phase 1 Transmitter Sites by midnight on their common Service Full Testing Date, where the delay is due to BT in each case, Late Delivery Payments will be calculated as follows:-

- 2.2 For Preliminary Testing Service, Late Delivery Payments will be based on Table 1A below. The amount payable will be a single payment, being the figure shown opposite the Day on which Preliminary Testing Service is provided to all the Phase 1 Transmitter Sites, multiplied by the number of DTTV Multiplex Services for which the Customer (or, where appropriate, the Customer's own customer DTTV Multiplex Service providers) have Broadcasting Authority licences (not exceeding 4) and which are affected by the delay ("the Multiplier"). Where Preliminary Testing Service is not provided to all the Phase 1 Transmitter Sites until after Day 30, the amount payable will be the amount shown opposite Day 30, multiplied by the Multiplier.
- 2.3 For Full Testing Service, Late Delivery Payments will be based on Table 1B below. The amount payable will be a single payment, being the figure shown opposite the Day on which Full Testing Service is provided to all the Phase 1 Transmitter Sites, multiplied by the Multiplier. Where Full Testing Service is not provided to all the Phase 1 Transmitter Sites until after Day 30, the amount payable will be the amount shown opposite Day 30, multiplied by the Multiplier.
- 2.4 If the Customer claims Late Delivery Payments under paragraphs 2.1 to 2.3 above, the Customer will not be entitled to receive the relevant Service to any of the Phase 1 Transmitter Sites. However, if the Customer wishes to accept provision of the relevant Service to some, but not all, of the Phase 1 Transmitter Sites on the relevant Date, then the Customer will be entitled to claim Late Delivery Payments of a pro-rata proportion of the relevant sum shown in Table 1A or B (as appropriate), where the amount payable will be calculated as follows:-

Number of Phase 1 Transmitter Sites in respect of which relevant Service is not available		Figure shown opposite Day on which relevant Service is provided to all Phase 1 Transmitter Sites (or if after Day 30, then figure shown opposite Day 30)		
	X		X	Multiplier
<u>Total number of Phase 1 Transmitter Sites</u>				

2.5 Any Phase 1 Transmitter Sites for which a Service Preliminary Testing Date and/or a Service Full Testing Date are either not agreed, or are not common to the Service Preliminary Testing Date or the Service Full Testing Date for the other Phase 1 Transmitter Sites, will be deemed to be Phase 2 Transmitter Sites (see below) and accordingly Late Delivery Payments under this paragraph 2 and the following paragraph 3 will not be payable in respect of delivery of relevant Service to such Transmitter Sites.

3. LATE DELIVERY PAYMENTS FOR LATE DELIVERY OF FULL SERVICE TO PHASE 1 TRANSMITTER SITES

In addition to any Late Delivery Payments payable under paragraph 2 above, for each of the Phase 1 Transmitter Sites where full Service is not provided by midnight on their common Service Delivery Date where the delay is due to BT, the Customer will be entitled to claim a further Late Delivery Payment which will be [*] per Transmitter Site per day of such delay multiplied by the Multiplier, subject to a maximum overall total daily payment for all such Transmitter Sites of [*] multiplied by the Multiplier.

[*] Indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

4. LATE DELIVERY PAYMENTS FOR LATE DELIVERY OF PRELIMINARY TESTING SERVICE, FULL TESTING SERVICE, AND FULL SERVICE TO PHASE 2 TRANSMITTER SITES

In respect of the Transmitter Sites listed under the heading Phase 2 in Part 1 of Schedule 1 or deemed to be a Phase 2 Transmitter Site under paragraph 2.5 above (the "Phase 2 Transmitter Sites"), the Customer will be entitled to claim Late Delivery Payments in accordance with either Option A or Option B as set out below, provided that the Customer elects which Option will apply prior to signature of this Contract:-

OPTION A

The Customer will be entitled to claim Late Delivery Payments for late delivery of Preliminary Testing Service and Full Testing Service on the same basis as set out in paragraph 2 of this Part 1 of Schedule 3, but where the provisions of paragraph 2 will apply separately to each group of Phase 2 Transmitter Sites which share the same Dates, and in the case of each such group, the amounts shown in Table 1A and Table 1B are each reduced by four-fifths. Additionally, where full Service is not provided to any Phase 2 Transmitter Site by midnight on its Service Delivery Date where the delay is due to BT, the Customer will be entitled to claim a Late Delivery Payment of [*] per day of such delay multiplied by the Multiplier.

OPTION B

No Late Delivery Payments will be payable where Preliminary Testing Service is not delivered on the Service Preliminary Testing Date, or where Full Testing Service is not delivered on the Service Full Testing Date, but where full Service is not provided to any Phase 2 Transmitter Site by midnight on its Service Delivery Date where the delay is due to BT, the Customer will be entitled to claim a Late Delivery Payment of [*] per day of such delay multiplied by the Multiplier.

[*] Indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

CUSTOMER'S ELECTION

The Customer elects Option A

5. MAXIMUM OVERALL TOTAL OF LATE DELIVERY PAYMENTS

All Late Delivery Payments will be subject to a maximum overall annual total, commencing on the first Service Preliminary Testing Date and expiring on the last Operational Service Date, of one half of the total Service Rental Charge for Year 3 as set out in paragraph 1.2.4 of Schedule 2 (or pro rata for the last year).

6. GENERAL SCOPE AND LIMITATIONS OF LATE DELIVERY PAYMENTS

6.1 Late Delivery Payments will be in full and final satisfaction of any claims against BT by the Customer relating to delay in provision of the relevant Service and BT will not be liable to the Customer for any failure to provide the relevant Service by any dates specified in this Contract save to the extent set out in this Part 1 of Schedule 3.

6.2 Late Delivery Payments will not be payable:-

- (a) Where Preliminary Testing Service, Full Testing Service, or full Service is not available on the relevant date due to the BT's requirements under Clauses 4 or 6 not being met, or an event described in Sub-clause 4.4, or to delays in obtaining wayleave consents, or to any event falling within Clause 13, or any other cause not due to BT; or
- (b) In relation to Late Delivery Payments for Preliminary Testing Service and/or Full Testing Service, to the extent that the Customer does not incur costs as a consequence of the delay.

7. PAYMENT OF LATE DELIVERY PAYMENTS

Late Delivery Payments will be calculated monthly in arrears and payable within 45 days of the date of the invoice from the Customer. The Customer may charge daily interest on late payments at a rate equal to 4% per annum above the base lending rate of Midland Bank plc.

TABLE 1

LATE DELIVERY PAYMENT FORMULA
FOR PHASE 1 TRANSMITTER SITES

TABLE 1A
PRELIMINARY TESTING
SERVICE

DAY	AMOUNT
1	[*]
2	[*]
3	[*]
4	[*]
5	[*]
6	[*]
7	[*]
8	[*]
9	[*]
10	[*]
11	[*]
12	[*]
13	[*]
14	[*]
15	[*]
16	[*]
17	[*]
18	[*]
19	[*]
20	[*]
21	[*]
22	[*]
23	[*]
24	[*]
25	[*]
26	[*]
27	[*]
28	[*]
29	[*]
30	[*]

TABLE 1B
FULL TESTING
SERVICE

DAY	AMOUNT
1	[*]
2	[*]
3	[*]
4	[*]
5	[*]
6	[*]
7	[*]
8	[*]
9	[*]
10	[*]
11	[*]
12	[*]
13	[*]
14	[*]
15	[*]
16	[*]
17	[*]
18	[*]
19	[*]
20	[*]
21	[*]
22	[*]
23	[*]
24	[*]
25	[*]
26	[*]
27	[*]
28	[*]
29	[*]
30	[*]

Where each Day commences
at 00.01 hours and ends
at 24.00 hours, and Day 1
is the day after the Service
Preliminary Testing Date, et seq.

Where each Day commences
at 00.01 hours and ends
at 24.00 hours, and Day 1
is the day after the Service
Full Testing Date, et seq.

[*] Indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

SCHEDULE 3

PART 2: LOSS OF SERVICE DEFINITION

1. The network is designed to achieve an overall end-to-end network availability between each Distribution Input Interface pair of Customer's Content Signals and each associated Distribution Output Interface pair of Customer's Content Signals of not less than 99.99% over a rolling 6 month period.
2. Loss of Service will be considered to have happened when both feeds of Customer's Content Signals to a Transmitter Site have been declared as unavailable simultaneously, or a feed is declared unavailable within 1 (one) minute of the other feed being declared available (after the other feed had previously been declared unavailable). In the first case the Loss of Service will be credited for Abatements purposes in complete seconds until one of the feeds is declared available. In the second case a Loss of Service of 1 (one) minute minus the time in complete seconds during which both links were available will be credited for Abatements purposes.
3. A feed to a Transmitter Site will be deemed to be unavailable whenever one of the following conditions is satisfied (these conditions being based on ETSI Technical Recommendation ETR 290 (May 1997), Title: Digital Video Broadcasting (DVB) Measurement Guidelines for DVB Systems, Ref: DTR/JTC - 00DVB - 22):-
 - (a) [*] or
 - (b) [*] or
 - (c) [*] or

[*] Indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

(d) [*] or

(e) [*] or

(f) [*] or

PROVIDED THAT where more than one of the above events occur simultaneously or overlap, only one of such events, in the order of precedence listed above, will give rise to Abatements.

4. Feeds will be deemed available (after they have previously been declared unavailable) when the following conditions apply. Each clear condition is associated with the fault condition above:-

(a) [*] or

(b) [*] or

(c) [*] or

(d) [*] or

(e) [*] or

(f) [*]

[*] Indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

SCHEDULE 3

PART 3: ABATEMENTS

1. GENERAL

If Loss of Service occurs after the first Operational Service Date which is due to BT, then the Customer will be entitled to claim an Abatement of the Service Rental Charge in accordance with this Part 3 of Schedule 3. For the purposes of Abatements, Loss of Service will be calculated over a rolling 365 day period.

2. ABATEMENTS FOR LOSS OF SERVICE

Should a Loss of Service to any of the Transmitter Sites occur after its Operational Service Date then subject to paragraphs 3 and 4 below, the Customer will be entitled to claim an Abatement of the Service Rental Charge in accordance with the formula set out in Table 1 below. The maximum Abatement of Service Rental Charge to apply to a Loss of Service to any Transmitter Site in any consecutive period of one year commencing on the first Operational Service Date for the remainder of the term of this Contract (or part year for the last such period), will be as set out in Table 1 below (or a proportionate part of such maximum for the last such period).

3. MAXIMUM OVERALL ANNUAL TOTAL OF ABATEMENTS

Abatements will be subject to a maximum overall annual total, commencing on the first Operational Service Date and expiring on the last day of the Contract, of one half of the total Service Rental Charge for Year 3 as set out in paragraph 1.2.4 of Schedule 2 and as increased in accordance with the formula set out in paragraph 1.3 of Schedule 2 at the date of calculation (or pro rata for the last year).

4. GENERAL SCOPE AND LIMITATIONS OF ABATEMENTS

- 4.1 Payment or credit of Abatements will be in full and final satisfaction of any claims against BT by the Customer relating to the quality of the Service and BT will not be liable to the Customer for any faults, Loss of Service or other failures in the quality of the Service save to the extent set out in this Part 3 of Schedule 3
- 4.2 No Abatement of the Service Rental Charge for Loss of Service to any Transmitter Site will apply if such Loss of Service is due to any one of the following circumstances:-
- (a) where the failure is due to any matter covered by Clause 13; or
 - (b) interruption, withdrawal or suspension of the Service in accordance with Sub-clause 2.6, 7.5 or 16.2, or to carry out planned upgrades to the Service at agreed times (including installation of output switching); or
 - (c) failure by the Customer to comply with its obligations under this Contract, including but not limited to those under Clauses 5 or 7; or
 - (d) BT's requirements under Clauses 4 or 6 not being met, or an event occurring as described in Sub-clause 4.4; or
 - (e) a failure or fault not attributable to the Service, including but not limited to faults attributable to the Customer's Equipment, or other networks or services connected to the Service, or other circumstances under the Customer's control; or
 - (f) the Loss is due to the Customer's Content Signals being absent or degraded or incorrectly routed prior to the Distribution Input Interface.

5. PAYMENT OF ABATEMENTS

- 5.1 Within 10 working days following any period of Loss of Service, BT will forward to the Customer a consolidated report of any Loss of Service to the Transmitter Sites specifying the dates, times and durations of any such Loss of Service and specifying any applicable Abatement as determined by, and meeting the conditions outlined in this Part 3 of Schedule 3, which the Customer will be entitled to claim.
- 5.2 Unless otherwise agreed with the Customer, Abatements claimed by the Customer will be set off against the next instalment(s) of the Service Rental Charge, except for any Abatements claimed after the final instalment has been paid, where BT will pay any Abatements claimed within 45 days of the date of the invoice from the Customer. The Customer may charge daily interest on late payment of such invoice at a rate equal to 4% per annum above the base lending rate of Midland Bank plc.

TABLE 1

ABATEMENT FORMULAE

Abatements for Category A Transmitter Sites (One only, being Crystal Palace Transmitter Site)

Total loss of service in any 365 day period.	Annual derived abatement of Annual Rental charge (per Station)
T= 0 to 30 secs	[*]
T= 30 secs to 240 mins	[*]
T= above 240 mins	[*]

Where X(T) = [*]
 ln is natural logarithm.
 T is the cumulative Loss of Service in minutes rounded to the nearest whole minute.

Abatements for Category B Transmitter Sites (All Transmitter Sites other than Crystal Palace Transmitter Site)

Total loss of service in any 365 day period.	Annual derived abatement of Annual Rental charge (per Station)
T= 0 to 30 secs	[*]
T= 30 secs to 240 mins	[*]
T= above 240 mins	[*]

Where X(T) = [*]
 ln is natural logarithm.
 T is the cumulative Loss of Service in minutes rounded to the nearest whole minute.

NOTE: These formulae will apply on a per Transmitter Site basis

[*] Indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

SCHEDULE 4

FUNCTIONAL DESIGN SPECIFICATION

The Functional Design Specification is a detailed technical description of the Service, of which the current version is:-

"An Integrated Distribution Network for Digital Terrestrial Television
Functional Design Specification
for Castle Transmission International
Issue: Draft 0.2"

It does not form part of the Contract, but may be used by the parties for reference and clarification purposes. In the event of any conflict between the Functional Design Specification and the Contract, the Contract will prevail.

The parties recognise that the technical description and specification of the Service may change from time to time, and that any such agreed changes will be incorporated within a revised Functional Design Specification, in addition to any changes that may be agreed to the Contract consequent on such changes.

SCHEDULE 5

IMPLEMENTATION PLAN

BT will produce an Implementation Plan for delivery and testing of the Service, which will include timescales for fulfilment of BT and Customer requirements and obligations (including the BT requirements and Customer's obligations under Sub-clauses 4.1 and 6.1), and which both parties will use all reasonable efforts to agree as soon as practicable, PROVIDED THAT in any event the Customer acknowledges that, as a minimum:-

- (a) BT will require the requirements described in Sub-clause 4.1 to be fulfilled not less than two calendar months prior to the relevant Service Preliminary Testing Date at each Site; and
- (b) BT will require the following minimum levels of access referred to in Sub-clause 6.1:-
 - (i) continuous 24-hour access to all relevant Sites for all internal work during a period from 2 months prior to each Service Preliminary Testing Date to each Service Delivery Date;
 - (ii) access 7 days per week from 08.00 hours to 18.00 hours to all relevant Sites for all external work during a period from 3 months prior to each Service Preliminary Testing Date to 1 month prior to each Service Preliminary Testing Date, then continuous 24-hour access to all relevant Sites for all external work during a period from 1 month prior to each Service Preliminary Testing Date to each Service Delivery Date.

If the Customer is unable to arrange access in accordance with (b) above at any Transmitter Sites, the Customer may propose an alternative detailed timetable (including proposed dates and hours of access for internal and external work) for BT's access to such Transmitter Sites. BT will review these proposals and indicate whether or not BT can accept them (which will be at BT's sole discretion) in relation to each Transmitter

Site. Where BT accepts such proposals, BT's requirements under Sub-clause 6.1 shall be deemed to be modified accordingly in relation to such Transmitter Site(s), and Late Delivery Payments shall apply accordingly. Where BT does not accept such proposals, BT will use reasonable endeavours to carry out the relevant work within the Customer's proposed timetable but will have no liability to the Customer for late provision of Service and accordingly no Late Delivery Payments will be payable. BT's acceptance of any such proposals will only be valid if made in writing and signed by BT's DTTV Service Project Manager, such BT DTTV Service Project Manager to be advised by BT to the Customer from time to time.

SCHEDULE 6

ACCEPTANCE TESTS

PART 1 : GENERAL METHODOLOGY

BT will conduct Acceptance Tests in accordance with the following methodology to satisfy conformance with the Acceptance Criteria. These tests will take place in four main stages:-

- (a) the Customer will have the built in diagnostic features of the ASI equipment demonstrated to them at BT laboratories. These features will enable remote verification that the DTTV Distribution Network is satisfying the service parameters during commissioning and through out the life of the network;
- (b) individual links will be commissioned by BT. Copies of the commissioning reports for each circuit within the network on which their signals are carried will be made available to the Customer;
- (c) the Customer's nominated representatives, in accordance with Sub-clause 3.1, will be invited to be present at a five randomly picked Transmitter Sites where the diagnostic features of the ASI equipment will again be verified with other test equipment. At this time the Customer will also verify that the network monitoring system is reporting as expected;
- (d) the DTTV Distribution Network will then be finally commissioned, using the diagnostic features of the ASI mux and the network monitoring system, ensuring that the Service meets the Acceptance Criteria.

2. The Acceptance Tests for the Preliminary Testing Service, the Full Testing Service, and fully operational Service will be as follows:-

- (a) following the installation of a single link for the Preliminary Testing Service, BT will verify the link performance between the Playout Centre and the Transmitter Site. Acceptance Testing for the Preliminary Testing Service will consist of a link performance check which will be limited to a verification that the ASI performance is error-free and formatted in accordance with DVB-PI-154 TM1449: Interfaces for CATV/SATV Headends and Similar Professional Equipment (EN 50083-9) (the "Specification");
- (b) following the installation of the second link, BT will verify the link performance between the Playout Centre and the Transmitter Site. A link performance check will be limited to a verification that the ASI performance is error-free and formatted in accordance with the Specification. If these conditions are met, both links will then be subject to longer duration stability testing, where the diagnostic features of the ASI Mux will be used in conjunction with the network monitoring system to demonstrate that [*]. Should errors occur during link testing then the stability check will be restarted until a [*]. These results will be presented to the Customer as demonstration that the results of the Acceptance Tests for the Full Testing Service and the fully operational Service meet the Acceptance Criteria.

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

SCHEDULE 6

PART 2: ACCEPTANCE CRITERIA

For the Preliminary Testing Service, the Acceptance Criteria will be that the ASI stream is error-free and formatted in accordance with the Specification as defined in paragraph 2, Part 1, Schedule 6, measured as described in paragraph 2, Part 1, Schedule 6.

For the Full Testing Service, and the fully operational Service, the Acceptance Criteria will be that there are no transport stream errors introduced by the distribution system recorded by the Network Management Service for a continuous period of [*], measured as described in paragraph 2, Part 1, Schedule 6.

Please see paragraph 3, Part 1, Schedule 1 for description of the respective facilities comprising the Preliminary Testing Service, the Full Testing Service and fully operational Service.

[*] Indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

SCHEDULE 7

NETWORK MANAGEMENT SERVICE

1. NETWORK MANAGEMENT

- 1.1 Network Management facilities will be provided to coincide with Service Full Testing Dates. Network Management provides the framework within which the Service will be managed. A more detailed description of the facilities that will be provided by BT and the features and functionality is contained in the Functional Design Specification.
- 1.2 Network technical performance information will be made available to the Customer, and any network failures will be reported to the status display and statistics will be maintained and be available at the status display. This status display will provide a continuous overview of the network and the status of the signals. If a Loss of Service occurs, alarms will appear on the status display. The displays will also provide facilities to ascertain the reason for the alarm(s) and to store the cumulative Service statistics for a rolling 12 month period.
- 1.3 Network reports will be available as described in the Functional Design Specification.

2. FAULT REPORTING

The BT Service Management Centre (SMC) will manage the Service. The SMC will monitor the Service 24 hours/day, 365 days/year and will provide a reporting service to the Customer for incidents on the Service. If a Loss of Service occurs the Customer can contact BT at the SMC on the following numbers:-

The telephone number for the SMC is: 0800 212857

The facsimile number for the SMC is: 0(1)71 261 4279

SCHEDULE 8

SPECIFICATION OF CUSTOMER CONTENT SIGNALS

1. The Customer will provide in respect of each DTTV Multiplex Service, two outputs of Customer's Content Signals to be carried over the DTTV Distribution Network from each Payout Centre. Each output of Customer's Content Signals will be identical and (subject to Sub-clause 4.2) continuous under normal conditions, and will have a nominal bitrate of [*] . Customer's Content Signals must comply with the characteristics described in paragraph 4.1, Part 1, Schedule 1.
2. Customer interfaces to the network will be provided in accordance with paragraph 4, Part 1, Schedule 1.

[*] Indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been filed with the Securities and Exchange Commission separately.

SCHEDULE 9

PERSONS PERMITTED TO RECEIVE CONFIDENTIAL INFORMATION

1. BOTH PARTIES

Their employees or professional advisers who need to know the information

2. ADDITIONALLY FOR BT

The employees of a BT Group Company who need to know the information BT's suppliers who need to know the information

3. ADDITIONALLY FOR THE CUSTOMER

The employees of the following who need to know the information:-

British Digital Broadcasting Plc
The British Broadcasting Corporation
Any Group Company of the Customer
The Customer's suppliers

SCHEDULE 10

CONTRACT CHANGE ORDER FORM

CHANGE ORDER NUMBER: DATE:

The Contract datedReference Number.....

between British Telecommunications plc of 81, Newgate Street, London, EC1A 7AJ (hereinafter called "BT")

and (Customer)

for the supply of :- DTTV Service

is amended as follows:-

- 1. DESCRIPTION
2. AMENDMENT TO CLAUSE
3. ORIGIN AND REASON FOR CHANGE ORDER

4. CHARGES

I) THE TOTAL CHANGE IN THE CHARGES FOR CARRYING OUT THE AMENDMENT IN ACCORDANCE WITH THE TERMS OF THIS CHANGE ORDER IS:

II) THE CHARGES ARE AMENDED TO:-

5. COMMENCEMENT DATE

The Commencement Date is amended to:-

6. REMARKS

7. GENERAL

Except as amended herein or by any other formal Contract Change Orders duly signed by xx and BT, the terms of the Contract dated..... Reference Number..... will remain in full force and effect.

The terms of this Contract Change Order are agreed.

8. PREVIOUS CONTRACT CHANGE ORDERS

Number	Date
-----	----

SIGNED BY)
-----)
a duly authorised person on)
behalf of)
British Telecommunications plc)
Name)
Position)

SIGNED BY)
-----)
a duly authorised person on)
behalf of xxxx plc)
Name)
Position)

SITE MARKETING AGREEMENT

THIS AGREEMENT, made this 25th day of June, 1998, between BELLSOUTH MOBILITY INC, Georgia corporation with its principal office located at 1100 Peachtree Street, N.E., Suite 1000, Atlanta, Georgia 30309, hereinafter designated "BellSouth" and CROWN COMMUNICATION INC., D/B/A CROWN COMMUNICATIONS, a Delaware corporation with its principal offices located at Southpointe, 375 Southpointe Boulevard, Canonsburg, Pennsylvania 15317, hereinafter designated "Crown".

WITNESSETH:

WHEREAS, BellSouth, through various related entities operates a wireless communications network in the states of Indiana, Kentucky, Tennessee, Mississippi, Alabama, Georgia, Florida and Louisiana which is comprised in part of cellular communications tower sites as to which BellSouth owns the fee or has a ground lease (or a license or easement similar in effect to a ground lease), which cellular tower sites include structures such as freestanding towers, guyed towers and monopoles, hereinafter referred to as "Tower Sites" (the term "Tower Sites" shall exclude buildings, equipment shelters, huts, or sheds and space occupied by BellSouth at the Tower Sites);

WHEREAS, Crown is in the business of managing, developing, constructing, maintaining, marketing and operating networks of communications tower facilities, including the management of wireless communications sites and networks owned by third party providers of wireless communications services;

WHEREAS, BellSouth desires to optimize the utilization and value of its Tower Sites by leasing space at the Tower Sites for the co-location of communications equipment for any type of wireless and broadcast communications services;

WHEREAS, BellSouth and Crown intend to engage in additional negotiations to explore the formation of a more permanent entity to serve their mutual interests with regard to the ownership, management and utilization of the Tower Sites; and

WHEREAS, BellSouth and Crown are desirous of establishing terms and conditions which will apply to the marketing of the Tower Sites by Crown initially in the State of Kentucky.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, BellSouth and Crown agree as follows:

1. SITE MARKETING AGREEMENT

1.1 MARKETING SITES.

(a) BellSouth hereby agrees that Crown shall serve as BellSouth's exclusive marketing agent of the Tower Sites in the state(s) listed on Exhibit "A" hereto (the "Territory") for the purpose of leasing, subleasing or licensing certain spaces for wireless communications antennas and related space for equipment sheds at the Tower Sites which now exist or may exist or may exist in the future in the Territory and as BellSouth's agent for collecting rent on the terms and conditions hereinafter set forth. The parties by mutual agreement may add other states to the Territory by appropriately amending Exhibit "A" hereto.

(b) BellSouth retains the right as principal to lease tower space at the Tower Sites in the Territory for its own account. Without limitation of this right, BellSouth does not presently anticipate exercising this right except as necessary to obtain space on a reciprocal basis with owners of other towers.

(c) Crown's rights as exclusive marketing agent shall also be subject to existing agreements between BellSouth and third party providers of wireless communications services, all of which are identified in Exhibit "A" attached hereto, and to future agreements which BellSouth may identify to Crown and which when so identified shall be deemed listed on Exhibit "A" attached hereto. These future agreements shall be additional co-location agreements on terms and conditions substantially similar to the terms of the co-location agreements listed on Exhibit "A", and agreements relating to Tower Sites resulting from build-to-suit agreements with persons other than Crown, particularly Tower Sites where BellSouth has a ground lease (or a license or easement similar in effect to a ground lease).

(d) As consideration for the execution of this Agreement and for serving as exclusive marketing agent of the Tower Sites, Crown agrees to actively market available space for wireless communications antennas and related space for equipment sheds at the Tower Sites, on the same basis as Crown markets Crown's owned wireless communications tower facilities, in order to lease, sublease or license such available space at the Tower Sites to third party providers or users of wireless communications services.

(e) As exclusive marketing agent of the Tower Sites in the Territory, Crown shall provide all sales and marketing functions, along with the receipt of all third party payments as set forth in Section 5 below.

(f) As consideration for Crown's being designated as the exclusive marketing agent of the Tower Sites in the Territory, Crown agrees that during the term of this Agreement, Crown and Crown's subsidiaries, affiliates and assigns shall not market, within the states encompassed by this Agreement, any wireless communications tower sites unless such tower sites are owned or developed by Crown or Crown's subsidiaries, affiliates or assigns; provided however that any such tower sites developed by Crown (or its subsidiaries, affiliates or assigns) after the date hereof in the State or States listed on Exhibit "A" hereto shall be designed so as not to compete

with BellSouth's then existing Tower Sites. For purposes of this Agreement, the term "affiliate" shall be defined as any person which controls the named party, is controlled by the named party or is under common control with the named party.

1.2 INFORMATION TO MARKET SITES. In order to assist Crown in its efforts

to actively market BellSouth's Tower Sites, BellSouth agrees to furnish to Crown, within ten (10) business days of the date first written above, at no cost to Crown, all information regarding the Tower Sites which has been compiled by BellSouth and is located at its offices at 1100 Peachtree Street, N.E., Atlanta, Georgia 30367 as of the date of this Agreement and to continue to furnish all such future information to Crown as it becomes available at said location. BellSouth shall not be required to request information from its offices in the field unless it elects to do so in its sole discretion. Such information shall, if available, include but not be limited to Prime Leases (as defined below), construction drawings of compound and antenna support structures, surveys, environmental assessments, mechanical drawings (power, telco, HVAC, grounding, etc.), soils investigations and reports, permits and approvals.

2. MASTER LEASE AGREEMENT

2.1 MASTER LEASE. Simultaneously with the execution of this Agreement,

BellSouth and Crown shall enter into the Master Lease Agreement attached hereto as Exhibit "B". This Master Lease Agreement contains the terms and conditions upon which spaces for wireless communications antennas and related space for equipment sheds at a Tower Site will be leased or licensed by BellSouth to Crown and, in turn, subleased or sublicensed by Crown to third parties. That portion of a Tower Site which is leased or licensed by BellSouth pursuant to this Agreement will be individually referred to as a "Tower Space Site".

2.2 TOWER SPACE SITE LEASE ACKNOWLEDGMENTS. Crown shall not lease a Tower

Space Site from BellSouth unless at the same time it has a third party (the "Sublessee") willing to lease, sublease or license the same, Tower Space Site from Crown. When Crown and a Sublessee agree on the particular terms for the lease or license of a Tower Space Site complying with the Master Lease Agreement, BellSouth, Crown and the Sublessee will execute a Site Lease Acknowledgment ("SLA") in the form attached to the Master Lease Agreement. Instead of having the Master Lease apply to the SLA, Crown and a Sublessee which is a party to an agreement listed in Exhibit "A" may elect to have the agreement to which the Sublessee is a party apply, in which case said master agreement shall govern all relations among BellSouth, Crown, and the Sublessee as if it were the Master Lease.

2.3 SLA PROCESS. Crown shall indicate that it has a third party with an

interest in subleasing a particular Tower Space Site by completing an SLA, having the Sublessee execute the SLA, and forwarding it to BellSouth for execution, subject to compliance with Section 1.2 of the Master Lease Agreement. Crown shall execute the SLA when received from BellSouth and return it to BellSouth. Crown shall not have any right to any marketing fees in respect of any

SLA that it has not fully executed and returned to BellSouth in accordance with Section 1.2 of the Master Lease Agreement.

3. TERM

3.1 TERM. Except as provided on Exhibit "C" hereto or in Section 3.2

below, the term of this Agreement shall be for one hundred (100) days from the date first written above (such one hundredth (100/th/) day is referred to herein as the "Termination Date") after which the provisions of Section 18.2.1 shall apply.

3.2 EXTENSION TO FACILITATE FORMATION OF PERMANENT ENTITY. In the event

that within one hundred (100) days of the date first written above, the parties have entered into an agreement to form a permanent entity as contemplated by Section 17, the term of this Agreement shall extend to the time of the last closing to occur under said agreement of the tower assets in the states listed on Exhibit "A" hereto or the abandonment or termination of said agreement at which time this Agreement shall automatically terminate, and Sections 18.2.2 or 18.2.3, as applicable, shall apply. Notwithstanding the termination of this Agreement, Crown shall be entitled to its marketing fee due to Crown pursuant to the provisions of Section 5 hereof in respect of SLAs which are executed by BellSouth during the term of this Agreement.

4. ASSIGNMENT OF CROWN'S RIGHTS AND OBLIGATIONS IN SLAS

At any time after the Commencement Date as defined in an SLA, BellSouth may elect pursuant to Sections 1.3 and 19.2 of the Master Lease Agreement to have Crown to assign to it all Crown's rights and obligations under the SLA, after which Crown shall cease to be the lessee of BellSouth and the Sublessor of Sublessee, and BellSouth shall be the direct lessor of Sublessee, and Sublessee shall be the direct lessee of BellSouth. With respect to an SLA governed by one of the agreements listed on Exhibit "A", upon BellSouth's providing a notice to Crown that it elects to receive an assignment from Crown of an SLA, Crown shall be deemed similarly to have assigned its rights and obligations under such SLA to BellSouth without further act. Crown shall ensure that all SLAs provide that, by virtue of such assignments BellSouth shall assume all the obligations of Crown to Sublessee set forth in the SLA and the Master Lease Agreement or the other applicable master agreement, and recognize all the rights of Sublessee, including the right to quiet enjoyment of the Tower Space Site, and Sublessee shall attorn to BellSouth, agreeing to pay rent directly to BellSouth or as BellSouth may direct, and agreeing with BellSouth to comply with all other provisions of the Master Lease Agreement or the other applicable master agreement and the SLA. Upon BellSouth's request as to any assignment, Crown shall execute an Assignment in the form of Exhibit "7" to the Master Lease Agreement to evidence such assignment.

5. FEES

5.1 THIRD PARTY RENTALS. Crown shall receive a marketing fee as

calculated in Section 5.3 for any SLA which is executed by Crown and Tenant pursuant to this Agreement and the Master Lease Agreement, so long as such Tenant utilizes a Tower Site within six months after such Tenant executes such SLA and (a) with respect to which SLA Crown was the actual procuring cause or (b) with respect to which SLA any of the entities listed on Exhibit "B" hereto is the third party, regardless whether Crown is the actual procuring cause and regardless of the process through which such third party may occupy a Tower Site. For purposes of this Agreement, "Third Party Rentals" shall be defined as gross rents or other consideration paid by third parties, commencing at any time from the date first written above and continuing for so long as such third party, its successors and assigns, utilizes the Tower Site. Third Party Rentals shall specifically include gross rents or other recurring consideration paid by Sublessees who have, prior to the expiration or termination of this Agreement, who have executed an SLA to either Crown or BellSouth. The calculation of such Third Party Rentals shall not include payments to BellSouth for services such as installation fees, maintenance fees, professional service fees, site development fees, tap-in fees, bolt-on fees, or fees for any services provided for or on behalf of such third parties by BellSouth or its agents (not including Crown, its affiliates or agents) in connection with their installations, all of which amounts shall be paid directly to BellSouth, and not through Crown.

5.2 ELECTION BY BELLSOUTH TO RECEIVE PAYMENTS DIRECTLY. At any time

BellSouth may elect to have all the Sublessees make payments directly to BellSouth, by notifying Crown and the Sublessees of such election.

5.3 DISTRIBUTION OF THIRD PARTY RENTALS. Crown shall receive a marketing

fee of [*] percent ([*]) of Third Party Rentals. The remaining [*] percent ([*]) of the Third Party Rentals shall be paid to or retained by BellSouth, as applicable.

5.4 COLLECTIONS; PAYMENT OF FEES. Payments due Crown and BellSouth

pursuant to the terms of this Agreement shall be made in the following manner: At the beginning of each month, the party receiving the Third Party Rentals (the "Receiving Party" shall calculate the total amount of Third Party Rentals actually collected during the prior month. Crown, if applicable, shall collect Third Party Rentals solely as the agent of BellSouth and not for its own account. The Receiving Party shall use commercially reasonable efforts to collect the Third Party Rentals in the same manner as it would collect from its own tenants. Any reasonable out-of-pocket expenses actually and necessarily (based on standards the Receiving Party applies in its own collections) incurred by the Receiving Party in collection, including by or through an attorney, shall be reimbursable to the Receiving Party out of and shall reduce the Third Party Rentals. In the event Crown is the Receiving Party, Crown shall remit to BellSouth the Third Party Rentals, less the amount of Crown's marketing fee in respect thereof, within thirty (30) days of the end of the prior month, free and clear of any claims and without any set-off or recoupment. In the event BellSouth is the Receiving Party, BellSouth shall remit to Crown the

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been Filed with the Securities and Exchange Commission separately.

Third Party Rentals, less the amount retained by BellSouth as set forth in Section 5.3, within thirty (30) days of the end of the prior month, free and clear of any claims and without any set-off or recoupment. Overdue amounts from the Receiving Party shall bear interest at a rate of one and one-half percent (1.5%) per month on such amount. All monthly payments shall be predicated upon actual Third Party Rentals collected by the Receiving Party during the prior month. Crown and BellSouth specifically acknowledge that they shall have no recourse against the other as a result of a failure of payment or other breach of obligation by any third party related to Third Party Rentals. The calculation of Third Party Rentals shall not include payments to either BellSouth or Crown by Sublessees for services such as installation, maintenance fees, professional service fees, site development fees, tap-in fees, bolt-on or fees for any third party services provided by that party to said Sublessees, subject to that party's compliance with Section 4.3 of the Master Lease Agreement as to such payments.

6. EXAMINATION OF RECORDS

The Receiving Party agrees to, at all times during this Agreement and during the existence of any SLAs related thereto, maintain financial records, including books of account, which detail all Third Party Rentals and all out of pocket expenses incurred by the Receiving Party in connection with the collection of Third Party Rentals. The Receiving Party shall make the same available to the other party upon request, and that party may conduct or cause to be conducted, at its sole expense, an independent audit of the Receiving Party's financial records, books of account, and other records and documents related to the calculation and payment of gross rental and license payments pursuant to the terms set forth above. If any such audit concludes that in any month the Receiving Party's calculation of Third Party Rentals is more than five percent (5%) less than the actual amount thereof, the Receiving Party shall reimburse the other party for all fees, costs and expenses paid by that party for the audit.

7. REPRESENTATIONS, WARRANTIES AND COVENANTS

7.1 MUTUAL. Each of Crown and BellSouth represents, warrants and covenants to the other:

- 7.1.1 It has full right, power and authority to make this Agreement and to enter into the Master Lease Agreement and the SLAs;
- 7.1.2 The making of this Agreement and the performance thereof will not violate any laws, ordinances, restrictive covenants or other agreements under which either party is bound;
- 7.1.3 Each party is or will be qualified to do business in all states in which the Tower Sites are located;

7.1.4 All persons signing on behalf of either party are authorized to do so by appropriate corporate or partnership action; and

7.1.5 Neither party shall engage in any activity which serves to impede the performance of any process embodied in this Agreement and each party agrees to act in good faith and to utilize commercially reasonable efforts to accomplish the purposes of this Agreement. Examples of a breach of this provision are the lack of a good faith marketing effort by Crown or the arbitrary denial by BellSouth of approvals of SLAs pursuant to this Agreement.

7.2 NO BROKERS. BellSouth and Crown represent to each other that neither

has had any dealings with any real estate brokers or real estate agents in connection with this Agreement. Each party shall be responsible for the payment of any fees, commissions, costs, expenses or other sums due with respect to any other advisor or agents retained by that party.

8. DEFAULT

8.1 CROWN'S DEFAULT. The occurrence of any one or more of the following

events shall constitute an "event of default" by Crown under this Agreement:

8.1.1 If Crown fails to pay any sums payable by Crown pursuant to this Agreement within five (5) business days of Crown's receipt of written request for payment;

8.1.2 If any petition is filed by or against Crown, under any section or chapter of the present or any future federal Bankruptcy Code or under any similar law or statute of the United States or any state thereof (and with respect to any petition filed against Crown, such petition is not dismissed within ninety (90) days after the filing thereof), or Crown is adjudged bankrupt or insolvent in proceedings filed under any section or chapter of the present or any future Bankruptcy Code or under any similar law or statute of the United States or any state thereof;

8.1.3 If a receiver, custodian or trustee is appointed for Crown or for any of the assets of Crown and such appointment is not vacated within sixty (60) days of the date of appointment;

8.1.4 If Crown makes a transfer in fraud of creditors;

8.1.5 If there is a breach of any representation, warranty or covenant set forth in this Agreement excluding any SLA and the non-payment of any sums by Crown, which is not cured within the Cure Period; for purposes hereof,

during the first 100 days of this Agreement, the "Cure Period" shall mean within ten (10) days of receipt of written notice, and thereafter (if the Agreement is not terminated after 100 days) the "Cure Period" shall mean within sixty (60) days of receipt of written notice;

8.1.6 If there is a breach of any representation, warranty or covenant of Crown set forth in any SLA or in the Master Lease Agreement, excluding the nonpayment of any sums by Crown, which is not cured within sixty (60) days of receipt of written notice.

8.2 BELLSOUTH'S REMEDIES. If an event of default occurs with respect to

Section 8.1.2, 8.1.3, or 8.1.4 above, without limiting any other remedies it may have, BellSouth may terminate this Agreement and the Master Lease Agreement, in which event Crown shall immediately assign its rights and obligations under all SLAs to BellSouth and BellSouth shall accept such assignments. If an event of default occurs with respect to Section 8.1.1, 8.1.5 or 8.1.6 above, BellSouth may terminate such SLAs as to Crown, in which event Crown shall assign only its rights and obligations under the applicable SLAs to BellSouth and BellSouth shall accept such assignments; provided however that if Crown is or has been in default of the lesser of: five percent (5%) of the total SLAs in any one State or fifty (50) SLAs then in effect, BellSouth may terminate this Agreement as provided in the first sentence of this Section 8.2.

8.3 BELLSOUTH'S DEFAULT. If BellSouth is in breach of any representation,

warranty or covenant set forth in this Agreement and such breach is not cured within sixty (60) days of receipt of written notice thereof.

8.4 CROWN'S REMEDIES. In the event of a default by BellSouth, Crown may,

without limiting any other remedies it may have, at Crown's option upon written notice:

8.4.1 Terminate the applicable SLA as to Crown; and

8.4.2 Assign to BellSouth all its improvements in the Tower Space Sites to which the SLAs relate.

Crown may elect any one or more of the foregoing remedies with respect to any particular SLA.

8.5 REMEDIES FOR BREACH OF GOOD FAITH. In the event of a breach by either

party of the covenant set forth in Section 7.1.5, the other party may unilaterally terminate this Agreement and the Master Lease Agreement upon five (5) business days written notice to the breaching party. In addition to any other remedies available as described above in this Section 8, or in Section 18.2, or otherwise, the party breaching Section 7.1.5 shall be liable to the other party, notwithstanding any other provision in this Agreement to the contrary, for that party's actual damages, plus costs and attorneys' fees, but not for any special, incidental or consequential damages of any nature whatsoever. The party alleged to have breached Section 7.1.5 may, in order to preclude the

unilateral termination of this Agreement, bring an action in equity, including a request for preliminary injunctive relief, challenging the alleged breach of Section 7.1.5.

8.6 DUTY TO MITIGATE DAMAGES. BellSouth and Crown shall endeavor in good

faith to mitigate damages arising under this Agreement

8.7 NOTICES AS TO OTHER DEFAULTS. If, with respect to any indebtedness or

obligation to pay money in excess of \$10,000,000, the lender or payee shall assert that Crown or Crown Castle (as defined below) is in default as to any required payment, or if Crown or Crown Castle should default in making any such payment timely, or in the observance of any other covenants or obligations with respect to such indebtedness or obligation to pay money, or if Crown or Crown Castle should be required to notify any lender of the existence of any such default then Crown shall give BellSouth prompt notice of such circumstances, describing them with particularity.

8.8 CROWN'S ENTITLEMENT TO MARKETING FEES. Notwithstanding any provision

to the contrary contained in this Agreement, the Master Lease Agreement and any SLA, Crown shall be entitled to its marketing fees as set forth in Section 5 so long as Crown or BellSouth receives the payment of Third Party Rentals, notwithstanding any event of default by either party and regardless whether such event of default result in the termination of this Agreement, the Master Lease Agreement and any SLA; provided however that Crown shall not be entitled to receive any further marketing fees from BellSouth with respect to the SLAs if Crown fails to perform with respect to the acquisition of the Tower Sites in the event of a BellSouth election to put its Tower Sites as described in Exhibit "C" attached hereto. In such event, the right to withhold any further payment of the marketing fees otherwise payable to Crown shall be BellSouth's sole legal remedy and no further legal or equitable remedies shall be available to BellSouth.

9. ENTIRE AGREEMENT

It is agreed and understood that this Agreement, including the Master Lease Agreement and all SLAs, contain all the agreements, promises and understandings between BellSouth and Crown and that no verbal or oral agreements, promises or understandings shall be binding upon either BellSouth or Crown in any dispute, controversy or proceeding at law, and any addition, variation or modification to this Agreement shall be void and ineffective unless made in writing signed by the parties.

10. GOVERNING LAW

The laws of the State of Georgia, disregarding conflict of law principles, shall govern this Agreement. Each party submits to the jurisdiction of any federal or state court sitting in Fulton County, Georgia with the exception that disputes pertaining exclusively to the real estate interests of a particular Site shall be litigated in the jurisdiction in which the Site is located.

11. ASSIGNMENT

(a) This Agreement may not be sold, subleased, assigned or transferred by Crown without prior approval or consent of BellSouth; provided, however, that Crown may assign its interest to its parent company, any subsidiary or affiliate or to any successor-in-interest or entity acquiring 51% or more of its stock or assets, subject to this Agreement.

(b) This Agreement may not be sold, subleased, assigned or transferred by BellSouth without prior approval or consent of Crown; provided, however, that BellSouth may sublease, assign or transfer its interest to (i) a third party so long as such party has a net worth (computed in accordance with generally accepted accounting principles) equal to or greater than \$25 million or (ii) its parent company, any subsidiary or affiliate or to any successor-in-interest or entity acquiring 51% or more of its stock or assets, subject to this Agreement.

(c) BellSouth consents to the assignment by Crown of the marketing fees payable to Crown pursuant to this Agreement. Any such assignment shall be subject and subordinate to all rights and interests of BellSouth under this Agreement including, without limitation, BellSouth's rights to collect directly from the Sublessees set forth in Section 5.4; provided that, such assignment shall not constitute assumption by the Financing Entity of any obligations under this Agreement unless and until the Financing Entity elects to assume Crown's rights and obligations herein in the event Crown defaults under the Financing Agreement or any agreement with the Financing Entity related thereto. Any attempted assignment by Crown of any of its rights as BellSouth's lessee under the Master Lease Agreement, or as the Sublessee's sublessor under the Master Lease Agreement, except as expressly permitted pursuant to the terms of the Master Lease Agreement, shall be absolutely null and void ab initio, and without

any force and effect. Crown shall not have any interest under this Agreement or the Master Lease Agreement which is capable of being pledged or assigned as security to the Financing Entity, other than Crown's marketing fees, as described and subject to the limitations set forth above. Any such assignment of Crown's marketing fees to the Financing Entity as security does not relieve Crown of any liabilities or obligations for performance identified in this Agreement.

12. SEVERABILITY

If any provision of this Agreement or any SLA is invalid or unenforceable with respect to any party, the remainder of this Agreement, or the application of such provision to persons other than those as to whom it is held invalid or unenforceable, is not to be affected and each provision of this Agreement is valid and enforceable to the fullest extent permitted by law.

13. NO WAIVER

No provision of this Agreement shall be deemed to have been waived by either party unless the waiver is in writing and signed by the party against whom enforcement is attempted. The rights granted in this Agreement are cumulative of every other right or remedy that the enforcing party

may otherwise have at law or in equity or by statute and the exercise of one or more rights or remedies will not prejudice or impair the concurrent or subsequent exercise of other rights or remedies.

14. REPRESENTATION

The parties acknowledge and agree that they have been represented by counsel and that each of the parties has participated in the drafting of this Agreement. Accordingly, it is the intention and agreement of the parties that the language, terms and conditions of this Agreement are not be construed in any way against or in favor of any party hereto by reason of the responsibilities in connection with the preparation of this Agreement.

15. NOTICES

Any notice or demand required to be given in this Agreement shall be made by first class mail, or reliable overnight courier, to the address of the other party set forth below:

As to Crown: Crown Communications
 Southpointe
 375 Southpointe Boulevard
 Canonsburg, PA 15317
 Attn: Legal Department

With a copy to: Sittig, Cortese & Wratcher
 1515 Frick Building
 Pittsburgh, PA 15219
 Attn: William R. Sittig, Jr.

As to BellSouth: BellSouth Mobility Inc
 1100 Peachtree Street, NE, 10/th/ Floor
 Atlanta, GA 30367
 Attn: President

With a copy to: BellSouth Mobility Inc
 Legal Department
 1100 Peachtree Street, NE, 10/th/ Floor
 Atlanta, GA 30367
 Attn: General Counsel

Any such notice or demand by mail shall be deemed to be received two (2) business days following deposit in the United States first class mail addressed as required above or, if delivered

by overnight courier, one (1) business day following deposit with such courier. BellSouth or Crown may from time to time designate any other address for this purpose by giving written notice to the other party.

16. BINDING EFFECT

This Agreement shall extend to and bind the heirs, personal representatives, successors and permitted assigns of the parties hereto.

17. ADDITIONAL NEGOTIATIONS

Crown and BellSouth, by execution of this Agreement, acknowledge their mutual intent to explore the formation of a permanent entity to serve their mutual interests regarding the future ownership, management and utilization of the Tower Space Sites. In the event that no successor entity is created by Crown and BellSouth, the terms and conditions set forth herein and in each SLA shall continue in full force and effect subject only to the expiration and termination provisions set forth herein. The foregoing represents an expression of the parties' mutual intent and shall not be construed to represent a binding or enforceable agreement of the parties or create any obligations of the parties to form any such entity or enter into any binding or enforceable agreement in respect thereof. No such obligations of the parties shall arise unless and until the parties enter into definitive written agreements with respect thereto.

18. TERMINATION

18.1 TERMINATION UPON CERTAIN DEFAULTS.

18.1.1 In the event BellSouth exercises its rights to terminate this Agreement and the Master Lease Agreement upon Crown's default as set forth in Section 8.5, the appointment of Crown as BellSouth's exclusive marketing agent and as BellSouth's agent to collect rents shall be terminated, Crown shall be deemed to have assigned all its SLAs to BellSouth, without further act, and BellSouth shall be deemed to have accepted such assignments, the restrictions on Crown's right to market towers for others in the Territory shall terminate, and BellSouth shall no longer have any obligation to pay any marketing fees whatsoever to Crown under this Agreement.

18.1.2 In the event Crown exercises its rights to terminate this Agreement and the Master Lease upon BellSouth's default as set forth in Section 8.5, or in the event BellSouth exercises its rights to terminate this Agreement and the Master Lease Agreement under Section 8.2, the appointment of Crown as BellSouth's exclusive marketing agent and as BellSouth's agent to collect rents shall be terminated, Crown shall be deemed to have assigned all its SLAs to BellSouth, without further act, and BellSouth shall be deemed to have accepted such assignments, the

restrictions on Crown's right to market towers for others in the Territory shall terminate, but BellSouth shall continue to be obligated to pay marketing fees due to Crown under this Agreement with respect to Third Party Rentals.

18.2 TERMINATION IN THE EVENTS FORESEEN IN SECTION 3.

18.2.1 In the event this Agreement terminates by the expiration of its term pursuant to Section 3.1, the appointment of Crown as BellSouth's exclusive marketing agent and as BellSouth's agent to collect rents shall be terminated, Crown shall be deemed to have assigned all its SLAs to BellSouth, without further act, and BellSouth shall be deemed to have accepted such assignments, the restrictions on Crown's right to market towers for others in the Territory shall terminate, but BellSouth shall continue to be obligated to pay marketing fees due to Crown under this Agreement with respect to Third party Rentals.

18.2.2 In the event that the parties have entered the agreement to form a permanent entity as contemplated by Section 17, and the closings of the tower assets in all the states listed on Exhibit "A" hereto have occurred under that agreement, then the appointment of Crown as BellSouth's exclusive marketing agent and as BellSouth's agent to collect rents shall be terminated, Crown shall be deemed to have assigned all its SLAs to BellSouth, without further act, and BellSouth shall be deemed to have accepted such assignments, the restrictions on Crown's right to market towers for others in the Territory shall terminate, and BellSouth shall no longer have any obligation to pay any marketing fees whatsoever to Crown under this Agreement.

18.2.3 In the event that the parties have entered the agreement to form a permanent entity as contemplated by Section 17, and that agreement has been abandoned or terminated, then, with respect to this Agreement, the appointment of Crown as BellSouth's exclusive marketing agent and as BellSouth's agent to collect rents shall be terminated, Crown shall be deemed to have assigned all its SLAs to BellSouth, without further act, and BellSouth shall be deemed to have accepted such assignments, the restrictions on Crown's right to market towers for others in the Territory shall terminate, but BellSouth shall continue to be obligated to pay marketing fees due to Crown under this Agreement with respect to Third Party Rentals.

19. PRIOR AGREEMENTS

This Agreement revokes and supersedes any other oral or written agreements between the parties, whether or not in writing, that pertain to the subject matter described herein, except for that certain Mutual Nondisclosure Agreement entered into between BellSouth Corporation and Crown Castle International Corp. ("Crown Castle") as of April 17, 1998 (the "Nondisclosure Agreement") and the Master Lease Agreement.

20. NON-DISCLOSURE

The parties agree that without the express written consent of the other party, neither party shall reveal, disclose or promulgate to any third party the terms of this Agreement or any portion thereof, except to such third party's auditor, accountant, attorney or investment-banker or to a governmental agency if required by regulation, subpoena or government order to do so. Any such disclosure shall be made in compliance with the terms and conditions of the Nondisclosure Agreement. The foregoing two sentences shall survive any termination of this Agreement. Crown has indicated to BellSouth that Crown Castle contemplates filing a Form S-1 with the Securities and Exchange Commission to register common stock. Prior to filing such Form S-1, Crown shall cause Crown Castle to provide BellSouth with an opportunity to review and comment on any disclosures of this Agreement in said Form S-1. If Crown Castle intends to name BellSouth in the Form S-1 as party to this Agreement, BellSouth shall have the right to approve any such disclosures, which approval shall not be unreasonably withheld or delayed.

21. SURVIVAL

All those sections whose survival is required to give effect to all continuing obligations set forth in the termination provisions of this Agreement shall survive the termination of this Agreement, and in case of doubt, a section shall be construed as having survived.

22. COUNTERPARTS

This Agreement may be executed in any number of counterparts with the same effect as if all signing parties had signed the same document. All counterparts shall be construed together and constitute the same instrument. Signatures by facsimile shall have the same force and effect as original signatures.

(SIGNATURES ON PAGE 15)

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the day and year first written above.

ATTEST: BILLSOUTH MOBILITY INC.
/s/ John A. Harwood /s/ Mark L. Feilder

Mark L. Feidler
President

ATTEST: CROWN COMMUNICATION INC. d/b/a
CROWN COMMUNICATIONS

By: /s/ Robert A. Crown

Robert A. Crown
President and Chief Executive Officer

In consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt of which is hereby acknowledged, Crown Castle International Corp. ("CCIC") hereby guarantees the performance of all duties and obligations of Crown Communication Inc. with respect to the terms of this Agreement. CCIC further warrants that the signatories below possess the requisite authority to execute this Guaranty.

ATTEST: CROWN CASTLE
INTERNATIONAL CORP.

By: /s/ David L. Ivy

Exhibit "A" to the Site Marketing Agreement

LIST OF STATES AS TO WHICH THIS SITE
MARKETING AGREEMENT IS APPLICABLE

Kentucky, only.

EXISTING BELLSOUTH THIRD PARTY AGREEMENTS

1. Master Antenna Site Lease Agreement between AT&T Wireless Services, Inc. d/b/a AT&T Wireless Services and BellSouth Cellular Corp. dated March 9, 1998;
2. Master Antenna Site Lease Agreement between Nextel South Corp. and BellSouth Cellular Corp. dated November 21, 1997;
3. Master Antenna Site Lease Agreement between BellSouth Cellular Corp. and American Cellular Communications Corporation and RAM Mobile Data USA Limited Partnership dated March 13, 1998;
4. Master Antenna Site Lease Agreement between ALLTEL Communications, Inc. and BellSouth Cellular Corp. dated April 2, 1998;
5. Master Antenna Site Lease Agreement between BellSouth Cellular Corp. and Powertel, Inc. dated March 26, 1998; and
6. Master Antenna Site Lease Agreement between Sprint Spectrum L.P. and BellSouth Cellular Corp. dated February 24, 1998.
7. Master Antenna Site Lease Agreement between Telecorp Holding Corp. and BellSouth Cellular Corp. dated May 13, 1999.

SPECIAL TERMINATION PROVISIONS AS TO
TOWERS SITES LOCATED IN THE STATE OF KENTUCKY

In the event that the parties fail to timely enter into an agreement to form the permanent entity described in Section 3.2, BellSouth shall, in BellSouth's discretion, elect one of the three following options: (i) to put to Crown all of BellSouth's Tower Sites in the state of Kentucky, for a price to be agreed upon based upon the fair market value of the Tower Sites, which price, however, shall in no event be less than \$75,000,000; (ii) to extend the term of this Agreement for an additional term of five (5) years, or (iii) to form a joint venture with Crown on mutually agreed terms whereby BellSouth will put its Tower Sites to the joint venture in the manner and for the values, described below, as if BellSouth had exercised its put to Crown, and Crown will make a cash contribution to the joint venture equal to the value of BellSouth's Tower Sites, determined in the same manner as below, as if BellSouth had exercised its put to Crown, but in no event shall such values be less than \$75,000,000. Prior to the Termination Date, BellSouth must notify Crown of its election. In the event BellSouth fails to timely provide such notice, the term of this Agreement, as to the Tower Sites located in the State of Kentucky only, will automatically be extended for an additional term of five (5) years. In the event BellSouth timely notifies Crown of its election to put its Tower Sites in the state of Kentucky to Crown, the term of this Agreement, as to the Tower Sites located in the state of Kentucky only, will automatically be extended until the time of closing on the sale to Crown of BellSouth's Tower Sites in Kentucky. Such put of Tower Sites shall be in the form of subleases of the Tower Sites whereby all the economic interest (and burdens) in the Tower Sites are transferred to Crown, BellSouth reserving to itself all space it currently occupies and a right of first refusal on any new spaces proposed to be leased to others. In such event, BellSouth shall pay rent to Crown for the space that it currently occupies on each Tower Site at the rate of \$[*] per month, as adjusted from time to time according to a formula to be agreed upon, plus an additional amount to be mutually agreed upon for sectorized Tower Sites if applicable. As to Tower Sites where BellSouth cannot obtain any required consent of the ground lessor or of the minority holders in any affiliate of BellSouth which is the ground lessee, BellSouth shall retain the Tower Sites, and the acquisition price will be reduced pro rata based on the number of Tower Sites retained over the total of Tower Sites in Kentucky. In addition, the acquisition price shall be reduced by the present value of current payments due to Crown over the balance of the terms of the applicable SLAs with respect to Tower Sites being transferred, which present value shall be reduced by historical bad debt experience. In the event that Crown and BellSouth cannot agree upon a fair market value for said Tower Sites within fifteen (15) days of the Termination Date, then Crown and BellSouth agree; that Lehman Brothers shall act as an independent third party appraiser to establish the fair market value of the Tower Sites. It is understood that the fair market value of the Tower Sites shall include all revenues arising from the Tower Sites on an undivided basis. The decision of the independent third party appraiser shall be final and binding and shall be construed as and enforced in the same manner as a decision rendered pursuant to binding arbitration. Crown shall purchase the Tower Sites as soon as practicable after the decision of the independent third party appraiser and all regulatory and contractual consents are obtained, but in no event later than ninety (90) days after determination of the fair market value by the independent third party appraiser.

[*] indicates where text has been omitted pursuant to a request for confidential treatment. The omitted text has been Filed with the Securities and Exchange Commission separately.

After the closing of Crown's purchase of the Tower Sites, this Agreement shall terminate, with the following consequences: the appointment of Crown as BellSouth's exclusive marketing agent and as BellSouth's agent to collect rents shall be terminated, Crown shall be deemed to have assigned all its SLAs to BellSouth, without further act, and BellSouth shall be deemed to have accepted such assignments, the restrictions on Crown's right to market towers for others in Kentucky shall terminate, and BellSouth shall no longer have any obligation to pay any marketing fees whatsoever to Crown under this Agreement. If after the expiration of such ninety (90) days Crown does not purchase the Tower Sites, this Agreement shall terminate, with the following consequences; the appointment of Crown as BellSouth's exclusive marketing agent and as BellSouth's agent to collect rents shall be terminated, Crown shall be deemed to have assigned all its SLAs to BellSouth, without further act, and BellSouth shall be deemed to have accepted such assignments, the restrictions on Crown's right to market towers for others in Kentucky shall terminate, and BellSouth shall not be obligated to pay any marketing fees due to Crown under this Agreement. In any event, BellSouth and Crown shall each pay one-half of Lehman Brothers' reasonable fees and expenses.