

## CHANNEL SHARING, FACILITIES, AND INTERFERENCE AGREEMENT

THIS CHANNEL SHARING, FACILITIES, AND INTERFERENCE AGREEMENT (this “Agreement”) is made as of May \_\_\_\_, 2019 (the “Execution Date”) by and between PMCM TV, LLC (“PMCM”) A New Hampshire limited liability company located at 2 Paragon Way – Suite 800, Freehold NJ 07728 and Press Communications, LLC a Delaware limited liability company located at 1329 Campus Parkway Neptune NJ 07753 (“Press”) (each individually a “Party” and collectively the “Parties”).

### Recitals

A. PMCM owns and operates the following television broadcast station, including its primary and all multicast streams (“WJLP”) pursuant to licenses issued by the Federal Communications Commission (the “FCC”):

WJLP, Middletown Township, New Jersey (FCC Facility ID No. 86537)

B. Press owns and operates the following low power television broadcast station, including its primary and all multicast streams (“WNWT-LD”) pursuant to licenses issued by FCC:

WNWT-LD, New York, New York (FCC Facility ID No. 22797)

C. PMCM and Press are entities with common ownership.

D. WJLP is currently licensed to operate on RF channel 3.

E. WNWT-LD is currently licensed to operate on RF channel 50. As a result of the reorganization of broadcast television stations, WNWT-LD has been or will be displaced.

F. PMCM and Press desire to enter into an agreement that is in accordance with existing and future FCC rules and published policies governing channel sharing of low power television stations with full power television stations and any other FCC orders or public notices relating to the Incentive Auction and channel sharing (collectively, the “Channel Sharing Rules”) to operate WJLP and WNWT-LD, respectively, on a shared 6 MHz channel (the “Shared Channel”) on the terms set forth in this Agreement.

### Agreement

NOW, THEREFORE, taking the foregoing recitals into account and in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

## ARTICLE 1: COMMENCEMENT

1.1. Term. The term of this Agreement (the “Initial Term” and, together with any extension in accordance with the terms hereof, the “Term”) will begin on the date of this Agreement and will continue in perpetuity unless earlier terminated in accordance with this Agreement.

### 1.2. Commencement of Shared Operations.

(a) The Parties shall cooperate to transition WNWT-LD to WJLP’s currently licensed location (as may change from time to time, the “Transmitter Site”) using such other equipment necessary for channel sharing by the Parties in the operation of their respective stations broadcasting on the Shared Channel (as modified or replaced from time to time, the “Shared Equipment,” and together with the Transmitter Site, the “Transmission Facilities”). Each Party shall begin broadcasting from the Shared Channel and the Transmission Facilities on a mutually agreeable date to be reasonably determined by the Parties following FCC approval of this Agreement and issuance of the CP (as defined in Section 1.3(a)), the “Sharing Commencement Date”). Any changes in the Transmitter Site following the relocation by WNWT-LD to the WJLP location shall be by mutual agreement between the Parties.

(b) Subject to Section 3.4, Press shall be responsible for all out-of-pocket costs and expenses reasonably necessary to modify the Transmission Facilities to initiate shared use under this Agreement, provided that, unless expressly set forth in this Agreement, any further modification of the Transmission Facilities, or installation of equipment at the Transmission Facilities, shall be conducted only with the consent of, and under the supervision of, PMCM, and the expenses of such further modification shall be shared by the Parties on an equal basis.

### 1.3. FCC Filings.

(a) Promptly following the execution of this Agreement, Press shall file with the FCC a minor modification application for a construction permit for WNWT-LD in order to implement this Agreement (the “CPs”) (and, if required, include with such application a copy of this Agreement with appropriate redactions of confidential information as mutually determined). . All costs and FCC filing fees (if any) associated with the aforementioned applications shall be paid by Press. The Parties shall cooperate in good faith to prepare, submit, and prosecute any other applications with the FCC that may be necessary to implement the sharing arrangement contemplated by this Agreement, including without limitation license applications for the Shared Channel.

(b) If the FCC imposes a condition on the approval, performance or terms and conditions of this Agreement or any of the FCC applications filed pursuant to this Agreement that cancels, changes or supersedes any material term or provision of this Agreement (collectively, a “Regulatory Condition”), then the Parties shall negotiate in good faith to modify this Agreement in a manner consistent with the form, intent and purpose of this Agreement and as may be necessary to comply with such Regulatory Condition, while maintaining to the greatest extent possible the benefit of the bargain of this Agreement prior to the imposition of

such Regulatory Condition, provided that no Party shall be required to agree to any amendment that would deprive that Party of a material benefit of this Agreement.

1.4. Payments. As sole consideration for the rights to use the Shared Channel as provided under this Agreement, the Parties shall each pay their respective share of all costs for operating the Shared Channel as set forth in *Section 3.4*.

## ARTICLE 2: CAPACITY AND FCC LICENSES

2.1. Allocation of Bandwidth. Pursuant to the Channel Sharing Rules, from and after the Sharing Commencement Date, the Parties shall share the 6 MHz Shared Channel (or 19.39 Megabits per second (“Mb/s”) as allocated under the current ATSC 1.0 system) in accordance with the allocation set forth on *Schedule 2.1*. The Parties may change the allocation of bandwidth set forth on *Schedule 2.1* at any time as they may mutually agree, provided that any allocation shall comply with the FCC’s requirements and, at a minimum, shall provide that each channel sharing licensee shall retain spectrum usage rights adequate to ensure a sufficient amount of the Shared Channel capacity to allow it to provide at least one Standard Definition over-the-air program stream at all times.

2.2. Encoding. In order to take advantage of a Stat Mux pool, the Parties may implement a single common encoding pool.

### 2.3. Technical Changes.

(a) Mandatory Changes. In the event that the FCC requires new standards of modulation or other technical or other modifications to the operation of the Transmission Facilities or the Shared Channel, the Parties will timely make any such modifications in compliance with such requirements established by the FCC. Each Party shall be responsible for its pro rata share of the reasonable out-of-pocket costs to implement such mandatory modulation or technical changes (in accordance with the then-current capacity allocation). In the event that such changes alter the available bandwidth on the Shared Channel, the Parties will cooperate to divide the available bandwidth following such modifications consistent with the capacity allocation prior to the modifications.

(b) New Transmission Technologies. Except for mandatory changes required by the FCC (which shall be treated in accordance with Section 2.3(a)), no Party shall adopt, deploy or implement any new transmission systems or new technical standards, including without limitation the new modulation standard or transmission technology currently known within the television industry as ATSC 3.0 (“ATSC 3.0 Upgrade”), for the Shared Channel without the prior written consent of the other Party, *provided, however*, that beginning three (3) years following the execution of this Agreement, the Parties may complete the ATSC 3.0 Upgrade: (i) upon the approval of PMCM; and (ii) upon no less than six (6) months’ written notice to Press. Any budget, cost allocation and timeline for implementing the ATSC 3.0 Upgrade or any other new mutually agreed transmission technologies shall comply with applicable FCC rules and regulations and meet generally accepted industry, with the cost of such ATSC 3.0 Upgrade to be shared in accordance with Section 3.4(a).

2.4. Use of Capacity. Each Party shall have the right to use its allocated capacity on the Shared Channel in such Party's sole discretion in accordance with the terms of this Agreement and all FCC rules and regulations, including without limitation broadcasting one stream or multiple streams and broadcasting content provided by third parties; provided that each Party shall be responsible for all of its costs associated with adding multiple program streams requested by it to the encoding pool. No Party shall take any action that interferes with another's use of capacity on the Shared Channel or the Transmission Facilities. Each Party shall have the right, in its sole discretion, to enter into additional channel sharing or sub-sharing agreements within its allocated capacity on the Shared Channel that do not have a material adverse effect on any other Party's station or the Shared Channel.

2.5. Transmissions. Each Party shall be responsible, at its sole expense, for transmitting its station's programming in a broadcast-ready final format to the Transmitter Site. PMCM may encode, compress or modulate Press's content as required to statistically multiplex together the Parties' content streams using the parameters set forth in this Agreement.

2.6. FCC Licenses.

(a) Authorizations. Each Party shall maintain all FCC licenses necessary for its operations on its station in full force and effect during the Term. No Party shall make any filing with the FCC to modify the Shared Channel without the prior written consent of the other Party.

(b) Compliance with Law. Each Party shall comply with this Agreement, the Channel Sharing Rules, and with all other FCC and other applicable laws with respect to its ownership and operation of its station subject to this Agreement and its use of the Shared Channel. Each Party shall be solely responsible for all content it transmits on the Shared Channel.

(c) Control. Consistent with FCC rules, each Party shall control, supervise and direct the day-to-day operation of its station subject to this Agreement (including its employees, programming and finances), and nothing in this Agreement affects any such respective responsibilities.

(d) Channel Sharing Documents. In the event that the FCC adopts changes to the Channel Sharing Rules, the Parties will undertake good faith negotiations to amend this Agreement as necessary in order to comply with such changes to the Channel Sharing Rules. Each Party shall notify the others of all documents filed with or received from the FCC with respect to this Agreement, the transactions contemplated hereby or the Shared Channel, and shall provide the others with copies of such documents to the extent permitted by FCC rules and other applicable laws.

(e) Channel Identification. The Parties shall determine their respective major and minor channel numbers consistent with the FCC's rules and shall work together in good faith to resolve any conflicts between them.

## ARTICLE 3: OPERATIONS

### 3.1. Transmission Facilities.

(a) Access. To the extent permitted under any applicable tower lease, PMCM shall provide Press with reasonable access to the Transmitter Site upon reasonable notice twenty-four (24) hours a day, seven (7) days a week for the purposes of allowing Press to implement the terms of this Agreement. Each Party shall assume all responsibility for any loss, damage, or liability caused by its employees or contractors while at the Transmitter Site.

#### (b) Facilities.

(i) A list of material items of Shared Equipment as of the date of this Agreement has been prepared and separately agreed to by the Parties, and such list may be updated by the Parties upon mutual agreement. The Shared Equipment shall include any replacements of such items or additions thereto as mutually agreed by the Parties from time to time in accordance with this Agreement. Title to all Shared Equipment owned by any Party shall remain with that Party. Title to any Shared Equipment acquired after the execution of this Agreement shall be in the name of PMCM, subject to the terms of this Agreement. The shared use under this Agreement does not constitute a conveyance of title.

(ii) PMCM shall operate, maintain and repair the shared Transmission Facilities in accordance with good engineering practices customary in the television industry and shall use commercially reasonable efforts to inform Press at least seven (7) calendar days in advance as to all material repairs to the Transmission Facilities that might affect Press's full enjoyment and use of the Transmission Facilities. If at any time the Shared Channel is off the air or operating at a reduced power level, PMCM shall use commercially reasonable efforts and endeavor in good faith to return the Shared Channel to the air and restore power as promptly as possible.

#### (c) Operations. Each Party shall:

(i) not interfere with the business and operation of the other's television station or the other's use of the Transmission Facilities;

(ii) use the Transmission Facilities only for the operation of its television station as set forth in the Recitals in the ordinary course of business, including any purpose permitted under this Agreement or the terms of its station's FCC authorizations; and

(iii) comply in all material respects with all laws applicable to its operations relating to the Transmission Facilities.

(e) Cooperation. In the event any Party determines, in its good faith discretion, that it is reasonably necessary for another Party to reduce, limit or temporarily cease use of the Shared Equipment, the Shared Channel or another Party's equipment located at the Transmitter Site so that the requesting Party can maintain, install, repair, remove or otherwise work on the Shared Equipment, the Shared Channel or its station, then the other Party shall

cooperate with such request. If requested, the non-requesting Party shall temporarily reduce, limit or cease use of the Shared Equipment, the Shared Channel or their equipment located at the Transmitter Site so that the requesting Party can perform such work, *provided* that the requesting Party takes all reasonable measures to minimize the amount of time the non-requesting Party shall operate with reduced facilities and that the requesting Party takes all reasonable measures to schedule such installation, maintenance, repairs, removal or work at a commercially reasonable time convenient to the non-requesting Party, between the hours of midnight and 5 a.m. if practicable. In all events, the requesting Party shall conduct all actions contemplated by this Section in accordance with applicable law and good engineering practices.

(f) Contractors. All contractors and subcontractors of any Party who performs any service at the Transmitter Site shall hold licenses or governmental authorizations appropriate to and necessary for the work being performed. Any such contractor shall carry insurance issued by companies licensed in the state of New York in commercially reasonable types and amounts.

(g) Hazardous Materials. Each Party shall: (i) comply with all environmental laws applicable to its operations from the Transmission Facilities, (ii) not cause or permit the release of any hazardous materials on, to or from the Transmission Facilities in violation of any applicable environmental laws, (iii) not take any action that would subject the Transmission Facilities to permit requirements for storage, treatment or disposal of hazardous materials and (iv) not dispose of hazardous materials at the Transmission Site except in compliance with applicable law.

3.2. Interference. Each Party shall use commercially reasonable efforts to avoid interference to the other Party or third parties by its respective operations from the Transmitter Site and to promptly resolve any interference that arises in connection with such operation. No Party shall make any changes or installations at the Transmitter Site or enter into any third-party arrangement that could reasonably be expected to impair or interfere in any material respect with the other Party's signals or broadcast operations or use of the Shared Channel. In the event interference to such signals or operations does occur, the Party experiencing interference shall notify the other Party in writing and the Party so notified shall take all commercially reasonable steps to correct such interference in all material respects as promptly as possible.

3.3. Force Majeure. No Party shall be liable to the other for any failure or delay in the performance of its non-monetary obligations under this Agreement to the extent that the default or delay is caused by an event outside of its reasonable control, including without limitation a fire, flood, earthquake, war, act of terrorism, labor dispute, government or court action, failure of facilities or act of God.

3.4. Expenses.

(a) Operating and Capital Costs. The expenses of operating the Shared Channel and the Transmission Facilities and the capital costs shall be paid as set forth on *Schedule 3.4*.

(b) Sole Costs of Each Party. Each Party shall be solely responsible for all of its expenses not related to the Transmission Facilities. Each Party shall be responsible for delivery of its signal directly to any cable headends (if applicable).

#### ARTICLE 4: INDEMNIFICATION

4.1. General Indemnification. Subject to Section 4.3, each Party shall indemnify, defend and hold the others harmless from and against any and all loss, liability, cost and expense (including reasonable attorneys' fees) arising from: (i) any breach of any representation or warranty made by it under this Agreement, and (ii) failure to comply with the covenants and obligations to be performed by it under this Agreement. The prevailing Party in a lawsuit brought to enforce the performance or compliance of any provision of this Agreement shall be entitled to recover reasonable attorneys' fees and court costs from the non-prevailing Party.

4.2. Operational Indemnification. Without limiting the terms of Section 4.1, subject to Section 4.3, each Party shall indemnify, defend and hold the other harmless from and against any and all loss, liability, cost and expense (including without limitation reasonable attorneys' fees) arising from the programming, advertising and operation of its television station as set forth in the Recitals using the Shared Channel, including without limitation for indecency, libel, slander, infringement of trademarks or trade names, infringement of copyrights and proprietary rights, violation of rights of privacy and other violations of rights or FCC rules or other applicable law.

4.3. Liability. In no event shall a Party have any liability, whether based on contract, tort (including negligence or strict liability), warranty or any other legal or equitable grounds, for any punitive, consequential, indirect, exemplary, special or incidental loss or damage suffered by the other arising from or related to the performance or nonperformance of this Agreement, including loss of data, profits, interest or revenue or interruption of business, even if such Party has been informed of or might otherwise have anticipated or foreseen the possibility of such losses or damages. No Party shall have any obligation or liability with respect to another Party's station, except as specifically set forth in this Agreement.

4.4. Indemnification Procedures. The Party seeking indemnification hereunder shall (i) give the indemnifying Party prompt written notice of the relevant claim, (ii) cooperate with the indemnifying Party, at the indemnifying Party's expense, in the defense of such claim and (iii) give the indemnifying Party the right to control the defense and settlement of any such claim, except that the indemnifying Party shall not enter into any settlement without the indemnified Party's prior written approval, which shall not unreasonably be withheld. The indemnified Party shall have no authority to settle any claim on behalf of the indemnifying Party.

#### ARTICLE 5: TERMINATION AND REMEDIES

##### 5.1. Termination.

(a) Breach. Any Party may terminate this Agreement by written notice to the other Parties in the event of a material breach of or default under this Agreement which is not cured within ninety (90) days after written notice of such breach or default. For purposes of this

Agreement, a material breach or default under this Agreement shall be defined as a breach of a material obligation of a Party under this Agreement that (i) results in a fundamental impairment of a Party's ability to broadcast its programming on the Shared Channel or (ii) constitutes a failure by a Party to pay the other Party within the time frame allowed any undisputed payment owed under this Agreement. In the event of a termination for breach, the breaching Party shall have fifteen (15) days to either cure the breach or commence a lawsuit seeking a declaration that it is not in material breach.

(b) Loss of License. If any Party's FCC authorization to operate on the Shared Channel is voluntarily or involuntarily revoked, rescinded, relinquished, canceled, materially impaired, withdrawn, surrendered, not renewed, or otherwise terminated for any reason following, if applicable, by a final FCC order (as defined below), then simultaneously therewith that Party's spectrum usage rights for the full 6 MHz Shared Channel shall revert to the other Party and this Agreement shall terminate. In such event, the Parties shall make and prosecute such FCC filings and take such further actions as applicable and as may be reasonably necessary for the surviving Parties to assume such spectrum. An FCC order shall be final upon the earlier of the date that: (i) the time to seek reconsideration or judicial review of such order by a Party or the FCC has passed and no reconsideration or judicial review has been requested or ordered; or (ii) the Party has exhausted all available remedies for review at the FCC and in any court of competent jurisdiction.

(c) Convenience. Any Party may terminate this agreement at any time and for any reason upon ninety (90) days written notice to the other Party. In such event, PMCM shall retain all rights to use the full 6 MHz Shared Channel, unless such termination was caused by PMCM's loss of its FCC authorization as described in Section 5.1(b), above. In such event, the Parties shall make and prosecute such FCC filings and take such further actions as applicable and as may be reasonably necessary for the surviving Parties to assume such spectrum.

(d) Survival. No termination shall relieve a Party of liability for failure to comply with this Agreement prior to termination. Notwithstanding anything herein to the contrary, Article 4, Sections 5.1, 6.1 and 6.9 and all payment obligations arising prior to termination shall survive any termination or expiration of this Agreement.

5.2. Specific Performance. In addition to any other available remedies, in the event of failure or threatened failure by a Party to comply with the terms of this Agreement, the other Parties shall be entitled to an injunction restraining such failure or threatened failure and, subject to obtaining any necessary FCC consent, to enforcement of this Agreement by a decree of specific performance requiring compliance with this Agreement.

## ARTICLE 6: MISCELLANEOUS

6.1. Confidentiality. Subject to the requirements of applicable law, all non-public information regarding the Parties and their respective businesses and properties that is disclosed in connection with the negotiation, execution or performance of this Agreement (including without limitation any financial information) shall be confidential and shall not be disclosed to any other person or entity, except on a confidential basis to the Parties' representatives, agents and lenders. No Party shall issue or cause the publication of any press release or other public

statement relating to this Agreement or disclose the existence of or details regarding this Agreement to any unaffiliated third party without the prior written consent of the other Party. Notwithstanding anything to the contrary herein, the Parties acknowledge that Press will be required to submit this Agreement (with redactions agreed to by the Parties) with their applications for the CP. This Section shall survive any termination or expiration of this Agreement.

6.2. Authority. Each Party represents and warrants to the others that (i) it has the power and authority to enter into this Agreement and to consummate the transactions contemplated hereby, (ii) it is in good standing in the jurisdiction of its organization, (iii) it has duly authorized this Agreement, and this Agreement is binding upon it, and (iv) the execution, delivery, and performance by it of this Agreement does not conflict with, result in a breach of, or constitute a default or ground for termination under any agreement to which it is a Party or by which it is bound.

6.3. Assignment. Upon prior written notice to the other Parties, each Party shall assign this Agreement to any FCC-approved assignee or transferee of its respective station, who shall assume this Agreement in a writing delivered to the other Parties, effective upon consummation of such assignment or transfer. The terms of this Agreement shall bind and inure to the benefit of the Parties' respective successors and any permitted assigns. No assignment shall relieve any Party of any obligation or liability under this Agreement unless and to the extent that the assignee is an FCC-approved licensee. Nothing in this Agreement expressed or implied is intended or shall be construed to give any rights to any person or entity other than the Parties hereto and their successors and permitted assigns.

6.4. Severability. The transactions contemplated by this Agreement are intended to comply with the Communications Act of 1934, as amended, and the rules and published policies of the FCC. If any court or governmental authority holds any provision of this Agreement invalid, illegal, or unenforceable under any applicable law, then, so long as no Party is deprived of the benefits of this Agreement in any material respect, this Agreement shall be construed with the invalid, illegal or unenforceable provision deleted and the validity, legality and enforceability of the remaining provisions contained herein shall not be affected or impaired thereby, and the Parties shall negotiate in good faith to amend this Agreement, if necessary and as appropriate, to accommodate such ruling.

6.5. Notices. Any notice pursuant to this Agreement shall be in writing and shall be deemed delivered on the date of personal delivery or confirmed delivery by a nationally recognized overnight courier service, and shall be addressed as follows (or to such other address as any Party may request by written notice):

if to PMCM:

Robert E. McAllan - CEO  
Member  
PMCM TV, LLC  
2 Paragon Way – Suite 800  
Freehold, NJ 07728

if to Press:

Richard T. Morena - Chief Financial Officer  
Member  
1329 Campus Parkway  
Neptune, NJ 07753

6.6. Governing Law. The construction and performance of this Agreement shall be governed by the laws of the State of New York.

6.7. Issue Resolution Process. In the event of any controversy or claim arising out of or relating to this Agreement, the Parties shall consult and negotiate in good faith with each other and, recognizing their mutual interests, attempt to reach a solution satisfactory to the Parties through consultations among their respective senior executives. If the issue remains unresolved for a period of sixty (60) days, then the Parties may elect to submit the disputed matter to a mutually agreeable independent third party with substantial experience and expertise in the business and operation of television broadcast stations to serve as a non-binding mediator, with the costs of such third party mediator to be split equally between the Parties.

6.8. Information. If any Party files a petition in bankruptcy, has an involuntary petition in bankruptcy filed against it which is not dismissed within sixty (60) days of the date of filing, files for reorganization or arranges for the appointment of a receiver or trustee in bankruptcy or reorganization, or makes an assignment for such purposes for the benefit of creditors, then it shall immediately provide written notice of such proceeding to the other Parties and provide all information with respect thereto as reasonably requested by the other Parties.

6.9. Miscellaneous. This Agreement may not be amended except in a writing executed by each Party. No waiver of compliance with any provision hereof or consent pursuant to this Agreement shall be effective unless evidenced by an instrument in writing signed by the Party against whom enforcement of such waiver or consent is sought. No Party shall be authorized to act as an agent of or otherwise to represent the other Parties to this Agreement. Except as expressly set forth in this Agreement, each Party shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement. This Agreement (including the Schedules hereto) constitutes the entire agreement and understanding among the Parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings with respect to the subject matter hereof, except for Section 3 of the Settlement Agreement, which shall remain binding. No Party makes any representation or warranty with respect to the transactions contemplated by this Agreement except as expressly set forth in this Agreement. This Agreement may be executed in separate counterparts.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO CHANNEL SHARING AND FACILITIES AGREEMENT

IN WITNESS WHEREOF, the Parties have duly executed this Channel Sharing and Facilities Agreement as of the date first set forth above.

PMCM TV, LLC

By: \_\_\_\_\_

Name: Robert E. McAllan

Title: \_\_\_\_\_

PRESS COMMUNICATIONS, LLC

By: \_\_\_\_\_

Name: Richard T. Morena

Title: \_\_\_\_\_

**Schedule 2.1**  
**Capacity Allocation**

Subject to Section 2.1, following is the Parties' initial agreement with respect to the allocation of the capacity of the Shared Channel:

- (i) 89.5% to WJLP
- (ii) 10.5% to WNWT-LD,

in each case where such bandwidth is calculated on an average basis using statistical multiplexing.

Statistical multiplexing or "Stat Mux" shall be used by PMCM with variable transport rates in the broadcast of the Shared Channel. The Parties shall implement a mutually beneficial weighting system as allowed by the encoding pool and use the software optimization technology of "Stat Mux" or a successor technology mutually agreed upon by the Parties. Such system shall be implemented as follows:

- (i) each Party shall designate one program stream with the highest priority within its allocated capacity;
- (ii) all other program streams shall have a lesser priority; and
- (iii) the Parties shall cooperate to devise a system that produces the best results for each Party with minimum picture degradation, subject to the constraints imposed by the allocation of capacity set forth on this *Schedule 2.1* and in Section 2.1.

**Schedule 3.4**  
**Expenses**

Each Party shall pay a pro rata share of the reasonable expenses to maintain and operate the Transmission Facilities for the Shared Channel, including operating and capital expenses (the “Expenses”), in an amount proportionate to its share of the Capacity Allocation as set forth in *Schedule 2.1*. For avoidance of doubt “reasonable” shall be defined as expenditures that are similar to the standard expenditures for comparable full power or low power television stations.