

SERVICES AGREEMENT

THIS SERVICES AGREEMENT (this "Agreement") is entered into as of the ____ of _____, 2004, by and between Eastern North Carolina Broadcasting Corporation, a North Carolina corporation ("ENCBC"), and Newport Broadcasting Inc., a Delaware corporation ("Newport").

RECITALS:

WHEREAS, Newport is the holder of the FCC Licenses of Television Broadcast Station WCTI-TV, New Bern, North Carolina (the "Station");

WHEREAS, ENCBC is the holder of certain other assets of the Station;

WHEREAS, contemporaneously with the execution and delivery of this Agreement, the parties hereto have entered into a facilities lease agreement with respect to the Station (the "Facilities Lease Agreement");

WHEREAS, ENCBC has agreed to provide Newport with certain services in connection with the day-to-day operation of the Station; and

WHEREAS, the parties now desire to set forth in further detail their respective rights and obligations with respect to the services to be provided by ENCBC in connection with the operation of the Station.

AGREEMENT:

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

SECTION 1 DEFINITIONS

1.1 Definitions. Capitalized terms used herein without definition shall have the respective meanings assigned thereto in Annex I attached hereto and incorporated herein for all purposes of this Agreement (such definitions to be equally applicable to both the singular and plural forms of the terms defined). Unless otherwise specified, all references herein to "Articles" or "Sections" are to Articles or Sections of this Agreement. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation".

SECTION 2 SERVICES AND RELATED MATTERS

2.1 Term. The term of this Agreement shall begin on the date hereof (the "Effective Date") and shall terminate automatically upon termination of the Facilities Lease Agreement.

2.2 Newport To Control Stations. Newport shall hold the FCC Licenses and shall have full authority, power and control over the management and operations of the

Station during the term of this Agreement, including determination of programming decisions, active control over finances and budgets and selection of all personnel. Without limiting the generality of the foregoing, Newport shall establish all policies regarding Station personnel, programming and finances, and shall (a) approve all Station programming, including having the power to direct the scheduling of any programming and to acquire, produce, pre-empt or discontinue any programs or program series; (b) approve employment decisions with respect to all personnel of the Station; (c) direct the preparation of all budgets for the Station, including having the power to review, modify and approve all such budgets; and (d) pay directly all programming and utility payments and payments to lenders in connection with the business and operation of the Station.

2.3 ENCBC to Provide Services to the Station. Subject to the rights and powers of Newport over the management and operations of the Station as set forth in Section 2.2 hereof, and at the direction of Newport, ENCBC shall provide employees to perform the day-to-day operations of the Station, including (a) preparing the initial budget presentations for the Station for Newport's review, modification and approval; (b) hiring and employing personnel, subject to the direction and approval of Newport as provided in Sections 2.2 hereof; (c) providing marketing support for the Station; (d) providing sales and collection services; (e) providing administrative services necessary for the day-to-day operation of the Station; (f) providing engineering support necessary for the day-to-day operation of the Station; and (g) providing technical consulting and information systems support necessary for the day-to-day operation of the Station.

2.4 Payments. In consideration of the services provided by ENCBC to Newport pursuant to this Agreement, Newport shall pay a quarterly fee to ENCBC as set forth in Schedule 2.4 of this Agreement (the "Quarterly Fee").

2.5 Employees. Except for two employees (one of whom shall be a management-level employee) who shall be selected and employed by Newport, all employees of the Station shall be employed by ENCBC, subject to the rights and powers of Newport as set forth in Section 2.2 hereof.

SECTION 3 REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties by Newport. Newport represents and warrants that:

(a) The execution, delivery and performance by Newport of this Agreement, the fulfillment of and the compliance with the terms and provisions hereof, and the consummation by Newport of the transactions contemplated hereby have been duly authorized by all requisite corporate action (which authorization has not been modified or rescinded and is in full force and effect), and do not and will not: (i) conflict with, or violate any provision of, any Law having applicability to Newport or any affiliate of Newport; (ii) conflict with, or result in any breach of, or constitute a default under, any agreement to which Newport is a party or by which Newport is bound; or (iii) result in or require the creation or imposition of or result in the acceleration of any indebtedness, or of any mortgage, lien, pledge, encumbrance, security interest, deed of trust, option,

encroachment, reservation, order, decree, judgment, restriction, charge, agreement, claim or equity of any kind ("Encumbrance") of any nature upon, or with respect to, Newport or any of the assets now owned or hereafter acquired by Newport. No other action is necessary for Newport to enter into this Agreement and to consummate the transactions contemplated hereby.

(b) This Agreement constitutes a valid and binding obligation of Newport, enforceable in accordance with its terms.

3.2 Representations and Warranties by ENCBC. ENCBC represents and warrants that:

(a) The execution, delivery and performance by ENCBC of this Agreement, the fulfillment of and the compliance with the respective terms and provisions hereof, and the consummation by ENCBC of the transactions contemplated hereby have been duly authorized by all necessary corporate action (which authorization has not been modified or rescinded and is in full force and effect), and do not and will not: (i) conflict with, or violate any provision of, any Law having applicability to ENCBC or any affiliate of ENCBC or any provision of the organizational documents of ENCBC; (ii) conflict with, or result in any breach of, or constitute a default under, any agreement to which ENCBC is a party or by which ENCBC is bound; or (iii) result in or require the creation or imposition of or result in the acceleration of any indebtedness, or of any Encumbrance of any nature upon, or with respect to, ENCBC or any of the assets now owned or hereafter acquired by ENCBC. No other corporate action is necessary for ENCBC to enter into this Agreement and to consummate the transactions contemplated hereby.

(b) This Agreement constitutes a valid and binding obligation of ENCBC, enforceable in accordance with its terms.

SECTION 4 INDEMNIFICATION

4.1 Indemnification by Newport. Newport shall indemnify and hold harmless ENCBC from and against any and all claims, losses, costs, liabilities, damages, expenses of every kind, nature and description (collectively "Damages") arising or resulting from or relating to Newport's breach of any representation, covenant, agreement or other obligation of Newport contained in this Agreement, or from the exercise of Newport's rights and powers under Section 2.2 hereof.

4.2 Indemnification by ENCBC. ENCBC shall indemnify and hold harmless Newport from and against any and all Damages arising or resulting from or relating to ENCBC's breach of any representation, covenant, agreement or other obligation of ENCBC contained in this Agreement.

SECTION 5 MISCELLANEOUS

5.1 Further Assurances. Each of the parties hereto hereby agrees to take or cause to be taken such further actions, to execute, deliver and file or cause to be executed, delivered and filed such further documents, and will obtain such consents, as

may be necessary or as may be reasonably requested in order to fully effectuate the purposes, terms and conditions of this Agreement.

5.2 Expenses. Each party hereto will pay its own expenses incurred by such party in connection with the negotiation, preparation, execution and consummation of this Agreement and the transactions contemplated hereby, including all legal and accounting fees and disbursements.

5.3 Assignment. No party shall assign its rights and obligations under this Agreement, in whole or in part, whether by operation of law or otherwise, without the prior written consent of the other party hereto, and any such assignment contrary to the terms hereof shall be null and void and of no force and effect; provided, however, ENCBC may assign this Agreement to the purchaser of all or substantially all of its assets; provided, further that each party may assign this Agreement to its lenders (or an agent thereof) as collateral for the obligations of such party under credit facilities provided to such party or in respect of which such party has guaranteed indebtedness, and such lenders (or an agent thereof) may assign this lease pursuant to the exercise of rights and remedies under such assignment as collateral, subject to Section 8.5 of that certain Credit Agreement dated as of December ____, 2003, as amended from time to time, among Newport, the subsidiaries of Newport, the lenders party thereto, Fleet National Bank, General Electric Capital Corporation, Wells Fargo Bank, N.A. and The Bank of New York. In no event shall the assignment by any party of its respective rights or obligations under this Agreement release such party from its respective liabilities and obligations hereunder.

5.4 Entire Agreement; Amendments. This Agreement constitutes the entire agreement among the parties hereto with respect to the transactions contemplated herein and supersede all prior oral or written agreements, commitments or understandings with respect to the matters provided for herein. No amendment, modification or discharge of this Agreement shall be valid or binding unless set forth in writing and duly executed and delivered by the party against whom enforcement of the amendment, modification, or discharge is sought.

5.5 Waiver. No delay or failure on the part of any party hereto in exercising any right, power or privilege under this Agreement or under any other documents furnished in connection with or pursuant to this Agreement shall impair any such right, power or privilege or be construed as a waiver of any default or any acquiescence therein. No single or partial exercise of any such right, power or privilege shall preclude the further exercise of such right, power or privilege, or the exercise of any other right, power or privilege. No waiver shall be valid against any party hereto unless made in writing and signed by the party against whom enforcement of such waiver is sought and then only to the extent expressly specified therein.

5.6 Consent to Jurisdiction.

(a) This Agreement and the duties and obligations of the parties hereunder and under each of the documents referred to herein shall be enforceable against any party in the courts of the United States of America and of The

Commonwealth of Pennsylvania. For such purpose, each party hereto hereby irrevocably submits to the non-exclusive jurisdiction of such courts, and agrees that all claims in respect of this Agreement and such other documents may be heard and determined in any of such courts.

(b) Each party hereto hereby irrevocably agrees that a final judgment of any of the courts specified above in any action or proceeding relating to this Agreement or to any of the other documents referred to herein or therein shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

5.7 Governing Law. This Agreement, the rights and obligations of the parties hereto, and any claims or disputes relating thereto, shall be governed by and construed in accordance with the laws of The Commonwealth of Pennsylvania (excluding the choice of law rules thereof).

5.8 Notices. All notices, demands, requests, or other communications which may be or are required to be given, served, or sent by any party to any other party pursuant to this Agreement shall be in writing and shall be hand delivered, sent by overnight courier or mailed by first-class, registered or certified mail, return receipt requested, postage prepaid, or transmitted by telegram, telecopy or telex, addressed as follows:

- (a) If the notice is to ENCBC:
Eastern North Carolina Broadcast Corporation
c/o Providence Equity Partners Inc.
50 Kennedy Plaza
18th Floor
Providence, RI 02903
Attention: Albert J. Dobron

with a copy to:

BlueStone Television LLC
8802 Shannon Way
Wichita, KS 67206
Attention: Sandy DiPasquale, President & CEO

and to:

Edwards & Angell, LLP
2800 Financial Plaza
Providence, RI 02903
Attention: David K. Duffell, Esq.

or to such other address as ENCBC may from time to time designate.

(b) If to Newport:

Newport Broadcasting Inc.
8802 Shannon Way
Wichita, KS 67206
Attention: Sandy DiPasquale, President & CEO

with a copy (which shall not constitute notice) to:

Hogan & Hartson L.L.P.
555 Thirteenth Street, NW
Washington, DC 20004
Attention: Jacqueline P. Cleary, Esq.

or to such other address as Newport may from time to time designate.

Each party may designate by notice in writing a new address to which any notice, demand, request or communication may thereafter be so given, served or sent. Each notice, demand, request, or communication which shall be hand delivered, sent, mailed or faxed in the manner described above shall be deemed sufficiently given, served, sent, received or delivered for all purposes at such time as it is delivered to the addressee (with the return receipt, the delivery receipt, or confirmation of facsimile transmission being deemed conclusive, but not exclusive, evidence of such delivery) or at such time as delivery is refused by the addressee upon presentation.

5.9 Interpretation. Section headings contained in this Agreement are inserted for convenience of reference only, shall not be deemed to be a part of this Agreement for any purpose, and shall not in any way define or affect the meaning, construction or scope of any of the provisions hereof.

5.10 Counterparts. To facilitate execution, this Agreement may be executed in as many counterparts as may be required. It shall not be necessary that the signatures of, or on behalf of, each party, or that the signatures of all persons required to bind any party, appear on each counterpart; but it shall be sufficient that the signature of, or on behalf of, each party, or that the signatures of the persons required to bind any party, appear on one or more of the counterparts. All counterparts shall collectively constitute a single agreement. It shall not be necessary in making proof of this Agreement to produce or account for more than a number of counterparts containing the respective signatures of, or on behalf of, all of the parties hereto.

5.11 Limitation on Benefits. The covenants, undertakings and agreements set forth in this Agreement shall be solely for the benefit of, and shall be enforceable only by, the parties hereto and their respective successors, heirs, executors, administrators, legal representatives and permitted assigns.

5.12 Binding Effect. Subject to any provisions hereof restricting assignment, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors, heirs, executors, administrators, legal representatives and permitted assigns.

5.13 No Joint Venture or Partnership. ENCBC shall act as an independent contractor in rendering its services hereunder. Neither party shall have any power or authority to act for or on behalf of the other or to bind the other in any manner whatsoever, except as and to the extent expressly provided for in this Agreement. The parties hereto agree that nothing herein shall constitute a joint venture or partnership between them.

[SIGNATURE PAGE TO FOLLOW]

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

EASTERN NORTH CAROLINA
BROADCASTING CORPORATION

By: _____
Name: _____
Title: _____

NEWPORT BROADCASTING INC.

By: _____
Name: _____
Title: _____

ANNEX I

“Act” means the Communications Act of 1934 and any rules, regulations or policies promulgated thereunder, each as amended or modified from time to time.

“Damages” has the meaning ascribed thereto in Section 5.1.

“ENCBC” has the meaning ascribed thereto in the Preamble of this Agreement.

“Effective Date” has the meaning ascribed thereto in Section 2.1.

“Encumbrance” has the meaning ascribed thereto in Section 4.1(a).

“Facilities Lease Agreement” has the meaning ascribed thereto in the Preamble of this Agreement.

“FCC” means the Federal Communications Commission, together with any successor thereto.

“FCC Licenses” means all licenses, permits and other authorizations issued by the FCC with respect to the ownership, operation or construction of the Station and all auxiliary broadcast and satellite earth station facilities used in the operation of the Station.

“Governmental Authority” means (i) the United States of America, (ii) any state or commonwealth of the United States of America and any political subdivision thereof (including counties, municipalities and the like) or (iii) any agency, authority or instrumentality of any of the foregoing, including any court, tribunal, department, bureau, commission or board.

“Law” means any applicable law, regulation, rule, writ, injunction, ordinance, franchise, decree, determination, award, permit, license, authorization, requirement, ruling, order or decision of, or by, a Governmental Authority, including FCC Licenses.

“Newport” has the meaning ascribed thereto in the Preamble of this Agreement.

“Quarterly Fee” has the meaning ascribed thereto in Section 2.4.

“Station” has the meaning ascribed thereto in the Recitals of this Agreement.

“Term” has the meaning ascribed thereto in Section 2.1.

SCHEDULE 2.4

Newport shall pay ENCBC a quarterly fee (the "Quarterly Fee") equal to \$1,200,000. Each Quarterly Fee shall be payable in arrears 15 days after the end of each calendar quarter (and pro-rated for any partial quarter) while the Facilities Lease Agreement shall be in effect, with the first payment due following the end of the first calendar quarter ending after the Effective Date covering the period from the Effective Date until the end of such quarter.

The Quarterly Fee shall be increased each calendar quarter by an amount reflecting the increase in the Consumer Price Index over the prior quarter.

The Quarterly Fee shall be subject to further increase from time to time as mutually satisfactory to the parties, including increases to reasonably reflect the costs to ENCBC (including financing costs) of any increase requested by Newport in the type of services or the number of employees to be provided hereunder or the benefit programs to be established for such employees or any operating expenditures made by ENCBC at the request of and on behalf of Newport (to the extent such expenditures are not funded by Newport hereunder).