

## SERVICES AGREEMENT

**THIS SERVICES AGREEMENT** (this “Agreement”) is entered into as of the \_\_\_\_ of \_\_\_\_\_, 2004, by and between Journal Broadcast Group, Inc., a Wisconsin corporation (“JBG”) and Ace TV Inc., a Wisconsin corporation (“Ace”).

### RECITALS:

WHEREAS, Ace is the licensee of WACY-TV, Appleton, Wisconsin (the “Station”);

WHEREAS, Ace and JBG, as assignee of Aries Telecommunication Corporation, a Nevada corporation (“Aries”), are parties to that certain Program Log and Invoice Preparation Agreement dated as of December 15, 1992, as amended (the “Program Log Agreement”), pursuant to which JBG has agreed to prepare certain daily program logs and invoices for the Station, all subject to the terms and conditions set forth in the Program Log Agreement;

WHEREAS, Ace and JBG, as assignee of Aries, are parties to that certain Transmitter Monitoring Agreement dated as of December 15, 1992, as amended (the “Transmitter Monitoring Agreement,” and together with the Program Log Agreement, the “Station Agreements”), pursuant to which JBG has agreed to provide certain assistance necessary to monitor the Station transmitter, all subject to the terms and conditions set forth in the Transmitter Monitoring Agreement;

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, JBG has agreed to provide Ace with certain services in connection with the day-to-day operation of the Station;

WHEREAS, the parties agree that each of the Station Agreements shall be terminated, and that their mutual understanding of their respective rights and obligations with respect to the services to be provided by JBG in connection with the operation of the Station shall be governed by the terms of this Agreement; 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 JBG 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     Termination of Station Agreements. Each of the Station Agreements is hereby terminated effective as of the Effective Date (as defined below).

2.2     Term. The term of this Agreement (the "Term") shall begin on the date hereof (the "Effective Date") and shall terminate automatically upon the earlier of: (a) termination of the Facilities Lease Agreement; (b) the closing of the transactions contemplated by the Asset Purchase Agreement, dated as of \_\_\_\_\_, 2004, by and among JBG, Ace and Journal Broadcast Corporation, relating to the sale of the assets of the Station; or (c) termination of the Television Affiliation Agreement by and between JBG (as assignee of Aries Telecommunication Corporation) and Ace dated June 7, 1993, as amended.

2.3     Ace To Control Stations. Ace 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, Ace 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.

2.4     JBG to Provide Services to the Station. Subject to the rights and powers of Ace over the management and operations of the Station as set forth in Section 2.3 hereof, and at the direction of Ace, JBG shall provide employees to perform the day-to-day operations of the Station, including (a) preparing the initial budget presentations for the Station for Ace's review, modification and approval; (b) hiring and employing personnel, subject to the direction and approval of Ace as provided in Sections 2.3 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.

2.5     Payments. In consideration of the services provided by JBG to Ace pursuant to this Agreement, Ace shall pay the monthly fee to JBG set forth in Schedule 2.5 of this Agreement.

2.6     Employees. Except for two employees (one of whom shall be a management-level employee) who shall be selected and employed by Ace (or such additional employees as Ace may desire to employ at Ace's expense), all employees of the Station shall be employed by JBG, subject to the rights and powers of Ace as set forth in Section 2.3 hereof.

### SECTION 3                      REPRESENTATIONS AND WARRANTIES

#### 3.1        Representations and Warranties by Ace. Ace represents and warrants that:

(a)        The execution, delivery and performance by Ace of this Agreement, the fulfillment of and the compliance with the respective terms and provisions hereof, and the consummation by Ace 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 Ace or any affiliate of Ace or any provision of the organizational documents of Ace; (ii) conflict with, or result in any breach of, or constitute a default under, any agreement to which Ace is a party or by which Ace 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, Ace or any of the assets now owned or hereafter acquired by Ace. No other action is necessary for Ace to enter into this Agreement and to consummate the transactions contemplated hereby.

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

#### 3.2        Representations and Warranties by JBG. JBG represents and warrants that:

(a)        The execution, delivery and performance by JBG of this Agreement, the fulfillment of and the compliance with the respective terms and provisions hereof, and the consummation by JBG 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 JBG or any affiliate of JBG or any provision of the organizational documents of JBG; (ii) conflict with, or result in any breach of, or constitute a default under, any agreement to which JBG is a party or by which JBG 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, JBG or any of the assets now owned or hereafter acquired by JBG. No other action is necessary for JBG to enter into this Agreement and to consummate the transactions contemplated hereby.

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

### SECTION 4                      INDEMNIFICATION

4.1        Indemnification by Ace. Ace shall indemnify and hold harmless JBG 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 Ace’s breach of any representation, covenant, agreement or other obligation of Ace contained in this Agreement, or from the exercise of Ace’s rights and powers under Section 2.3 hereof.

4.2 Indemnification by JBG. JBG shall indemnify and hold harmless Ace from and against any and all Damages arising or resulting from or relating to JBG's breach of any representation, covenant, agreement or other obligation of JBG 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, JBG 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. 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 supersedes 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 State of Wisconsin. 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 State of Wisconsin (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 JBG:

Journal Broadcast Group, Inc.  
333 West State Street  
Milwaukee, WI 53203  
Attention: Douglas G. Kiel  
Facsimile: (414) 224-2469

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

Jeffrey J. Jones, Esq.  
Foley & Lardner LLP  
777 East Wisconsin Avenue  
Milwaukee, WI 53202  
Facsimile: (414) 297-4900

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

Jacqueline P. Cleary, Esq.  
Hogan & Hartson L.L.P.  
555 Thirteenth Street, NW  
Washington, DC 20004  
Facsimile: (202) 637-5910

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

(b) If to Ace:

Ace TV Inc.  
c/o Toothman, Rice & Company  
Route 20 North  
Buckhannon, WV 26201  
Facsimile: (304) 472-5577

with a copy to:

Jeffrey F. Jaekels, Esq.  
Wanazek, Umentum & Jaekels, S.C.  
417 South Adams Street  
Green Bay, WI 54301  
Facsimile: (920) 437-8101

or to such other address as Ace 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. JBG 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.

JOURNAL BROADCAST GROUP, INC.

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

Name: \_\_\_\_\_

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

ACE TV INC.

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

Name: \_\_\_\_\_

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



ANNEX I

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

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

“Damages” has the meaning ascribed thereto in Section 4.1.

“Effective Date” has the meaning ascribed thereto in Section 2.2.

“Encumbrance” has the meaning ascribed thereto in Section 3.1(a).

“Facilities Lease Agreement” has the meaning ascribed thereto in the Recitals 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.

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

“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.

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

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

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

“Term” has the meaning ascribed thereto in Section 2.2.

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

**SCHEDULE 2.5**

Ace shall pay JBG a monthly fee (the “Monthly Fee”) during the Term equal to \$250. The Monthly Fee shall be paid to JBG as follows: (i) the Monthly Fee for the first month after the Effective Date shall be paid on the date that is one month after the Effective Date and (ii) each subsequent payment of the Monthly Fee shall be due upon the monthly anniversary of the Effective Date. In the event that this Agreement terminates on a date that is not a monthly anniversary of the Effective Date, then any payment for the final partial period of the Term shall be paid on a pro rata basis based upon the number of days in such partial period.