

Downloaded From
SatelliteGuys, US



June 2005

Dear DIRECTV Retailer:

DIRECTV is planning aggressive offers for the third quarter of 2005! Part of this plan includes a few changes to the annual agreement policy, which are described below.

In accordance with the terms of your agreement with DIRECTV, this letter is to notify you of changes to DIRECTV's annual agreement policy for new and existing customers. Since some of these changes will have an impact on the compensation/commission you receive from DIRECTV, please read this carefully.

As you know, since DIRECTV's introduction of the annual programming commitment program in 2002, you have been eligible to receive commission on those DIRECTV subscribers procured by you from whom you obtained the annual commitment to a qualifying DIRECTV programming package. Please be advised that starting August 1, 2005 (i.e., "orders" submitted on and after that date), in order for you to be eligible to receive any compensation/commission from DIRECTV for any customers (new, existing or former) purchasing DIRECTV advanced products (e.g., DIRECTV DVR Receiver, DIRECTV HD Receiver, DIRECTV HD DVR Receiver and other types of advanced products, which generally have advanced technologies or functionality such as high definition receiving and decoding capability and/or digital video recording function), such customers must make a 2 year commitment to a qualifying DIRECTV programming package (instead of the 1 year commitment previously required). For those customers only purchasing standard/basic DIRECTV System or Receiver, the programming commitment will remain at 1 year for purposes of compensation/commission payment.

We are in the process of revising the Annual Programming Commitment Agreement with the changes noted in this letter. Once the new Programming Commitment Agreement is available, we will provide the revised language to all of our retailers.

Please note that we are currently evaluating changes to the early cancellation fees. As soon as we have determined the appropriate amounts, we will promptly provide them to you along with the revised Programming Commitment Agreement. At this time, we do not expect any changes to the non-activation fees.

New customers who fail to meet DIRECTV's credit requirement will continue to be assessed a fee of \$150 for standard receivers or \$200 for advanced equipment. In addition, they will be subject to the programming commitment policy. Accordingly, you will need to secure a programming commitment from those customers as well in order for you to be eligible for any compensation/commission from DIRECTV.

2230 East Imperial Hwy. El Segundo, CA 90245

A unit of The DIRECTV Group, Inc.

Please note that all other terms and conditions set forth in your agreement with DIRECTV will continue to apply for payment/earning any compensation or commission for subscribers procured by you. Accordingly, except for the 2 year commitment required for advanced product customers, there will be no other changes in how your commissions/compensation are paid, earned, or calculated. By way of example, the chargeback period for dealers will continue to remain at 1 year for all customers, regardless of the type of hardware purchased.

Thank you for your continued support. Together we will bring consumers a whole new level of home entertainment. If you have any questions, please contact you Area Sales Manager or DIRECTV Retail Services at 800-323-1994, or via email at RetailServices@DIRECTV.com.

Best regards,

DIRECTV, Inc.

Enclosure

Letter: ANUL-0605

This notice is effective August 1, 2005 and replaces "EXHIBIT B" and/or the "DIRECTV Programming Package Exhibit" present in your Agreement. Please replace this update in your Agreement. The remainder of the Agreement remains in full force and effect.

DIRECTV PROGRAMMING PACKAGES

(Effective as of August 1, 2005, until replaced by DIRECTV)

ANNUAL[†] TOTAL CHOICE[®] Programming Package and above* (containing those video, audio and data programming services selected by DIRECTV)

\$41.99 per month per subscriber

ANNUAL[†] OPCIÓN EXTRA[™] Programming Package and above* (containing those video, audio and data programming services selected by DIRECTV – a portion of programming available from satellite located at 119° West Longitude – requires a multi-satellite capable DIRECTV[®] Receiver with a DIRECTV Multi-Satellite Dish Antenna)

\$29.99 per month per subscriber

ANNUAL[†] PHOENIX TV (Chinese programming) (available from satellite located at 119° West Longitude – requires a multi-satellite capable DIRECTV[®] Receiver with a DIRECTV Multi-Satellite Dish Antenna)

\$19.99 per month per subscriber

ANNUAL[†] Jadeworld (Chinese programming) (containing those video, audio and data programming services selected by DIRECTV – available from satellite located at 119° West Longitude – requires a multi-satellite capable DIRECTV[®] Receiver with a DIRECTV Multi-Satellite Dish Antenna)

\$36.99 per month per subscriber

ANNUAL[†] DIRECTV[®] BASIC plus any WorldDirect[™] International Language Service (containing those video, audio and data programming services selected by DIRECTV – available from satellite located at 95° West Longitude – requires a multi-satellite capable DIRECTV[®] Receiver with a 36" DIRECTV Multi-Satellite Dish Antenna)

\$9.99 per month per subscriber + the cost of the selected WorldDirect[™] service

ANNUAL[†] DIRECTV[®] PREFERRED CHOICE[™] plus any WorldDirect[™] International Language Service (containing those video, audio and data programming services selected by DIRECTV – available from satellite located at 95° West Longitude – requires a multi-satellite capable DIRECTV[®] Receiver with a 36" DIRECTV Multi-Satellite Dish Antenna)

\$29.99 per month per subscriber + the cost of the selected WorldDirect[™] services

[†]For customers who purchase advanced product hardware (DIRECTV HD Receiver, DIRECTV DVR, DIRECTV HD DVR, or other types of advanced DIRECTV products) there is a 2 year commitment in place of the 1 year commitment for standard equipment.

*Excludes any sports subscriptions and a la carte packages. Programming Package prices will be \$3.00 less in those designated market areas where DIRECTV does not offer local channels or for customers who are unable to receive local channels due to technical issues (e.g., line of site issues, 72.5° local channel markets).