

June 30; and (iv) \$3,900,000 for installments due for the quarters ending September 30. Provided that Borrower has in any preceding quarter or quarters of any fiscal year of Borrower paid an installment or installments in excess of the foregoing quarterly minimum installment or installments, then Borrower may apply such excess to any remaining quarterly installment or installments of that fiscal year of Borrower. For purposes of this note a fiscal year of Borrower shall be a year ending the Thursday closest to September 30. For purposes of this note the term "Operating Cash Flow" shall mean the consolidated gross revenues of Borrower, PPI, Holdings or any subsidiaries of any of the foregoing for each quarter, including any interest or other income on investments or notes receivable but excluding both any extraordinary gains or losses and any gains or losses, whether extraordinary or not, on the sale of any asset of Borrower, PPI, Holdings, or any subsidiaries of any of the foregoing minus operating expenses of Borrower, PPI or Holdings or any applicable subsidiaries other than depreciation, amortization, interest due the American Broadcasting Companies, Inc. on its note or notes, management fees, and interest on the \$1,500,000 subordinated debt due Holdings.

C. Installments shall be applied first to accrued interest and next to outstanding principal.

D. Notwithstanding anything contained herein, the entire balance of principal and interest owing under the Term

ANNEX A

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