

ASSET PURCHASE AGREEMENT

by and between

NEWSWEB CORPORATION

and

FOX TELEVISION STATIONS, INC.

June 27, 2002

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ASSET PURCHASE AGREEMENT

ASSET PURCHASE AGREEMENT, dated as of June 27, 2002, by and between Newsweb Corporation, an Illinois corporation ("Seller"), and Fox Television Stations, Inc., a Delaware corporation ("Purchaser"). Capitalized terms used herein without definition have the meanings specified in Article I hereof.

W I T N E S S E T H:

WHEREAS, Seller owns and operates, under license from the FCC, the Station (the "Business");

WHEREAS, Seller wishes to sell to Purchaser, and Purchaser wishes to purchase from Seller, all of Seller's right, title and interest in and to the Broadcasting Assets, upon the terms and subject to the conditions set forth herein; and

WHEREAS, Seller desires to assign to Purchaser, and Purchaser is willing to assume from Seller, the Assumed Liabilities, upon the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and of the mutual agreements and covenants hereinafter set forth, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01 Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

"Accounts Receivable" means all accounts receivable of Seller accrued in accordance with GAAP with respect to the Business, including any "co-op" receivables from providers of Program Rights, as of midnight of the day immediately preceding the Closing Date for services to be performed or delivered at or prior to such time.

"Action" means any claim, action, suit, arbitration, opposition, inquiry, proceeding or investigation by or before any Governmental Authority.

"Affiliate" means, with respect to any specified Person, any other Person that, directly or indirectly, through one or more intermediaries, Controls, is Controlled by or is under common Control with, such specified Person.

"Agreement" means this Asset Purchase Agreement and all amendments hereto made in accordance with Section 8.09.

"Ancillary Agreements" means, collectively, the Assignment and Assumption of Lease Agreement, the Assumption Agreement, the Bill of Sale, the Lease Agreement, the Call Sign Agreement, the Escrow Agreement and all certificates executed or delivered by a Person pursuant to this Agreement and such agreements.

"Assignment and Assumption of Lease Agreement" means the Assignment and Assumption of Lease Agreement to be executed by Purchaser and Seller on the Closing Date in substantially the form attached as Exhibit A hereto.

"Assumption Agreement" means the Assumption Agreement to be executed by Purchaser and Seller on the Closing Date in substantially the form attached as Exhibit B hereto.

"Bill of Sale" means the Bill of Sale to be executed by Purchaser and Seller on the Closing Date in substantially the form attached as Exhibit C hereto.

"Blair Agreement" means the Representation Agreement and Addendum, between Blair Television, Inc. and Seller, dated August 28, 1996.

"Business Day" means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by Law to be closed in the City of New York.

"Business Intellectual Property" means the Intellectual Property owned, licensed or used by Seller and that is used in, or that relates to, the Business.

"Code" means the Internal Revenue Code of 1986, as amended.

"Communications Act" means the Communications Act of 1934, as amended, the Telecommunications Act of 1996, the Children's Television Act and the rules, regulations, policies and orders promulgated thereunder, as in effect from time to time.

"Contract" means any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument.

"Control" means, as to any Person, the power to direct or cause the direction of the management and policies of such Person, whether through

the ownership of voting securities, by contract or otherwise. The term "Controlled" shall have a correlative meaning.

"Disclosure Schedule" means the Disclosure Schedule delivered by Seller to Purchaser on the date hereof.

"DMA" means the television designated market area for Chicago, Illinois as determined by the Nielsen Media Research company.

"Employee" or "Employees" means an individual or individuals, respectively, employed by the Seller and primarily engaged in the Business.

"Environmental Laws" means any Law related to the use, generation, treatment, storage, disposal, transportation, or management of Hazardous Materials, the protection of human health or the environment, or pollution, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601 et seq.

"FCC" means the Federal Communications Commission.

"FCC Licenses" means all licenses, permits, construction permits and other authorizations issued by the FCC to Seller for the operation of the Station, including those listed or described in Section 1.01(a) of the Disclosure Schedule, and all applications therefor, together with any renewals, extensions or modifications thereof and additions thereto.

"Final Order" means an action or order of the FCC (including an action or order of the FCC's staff, pursuant to delegated authority): (a) which has not been vacated, reversed, stayed, enjoined, set aside, annulled or suspended; (b) with respect to which no timely filed protest, request for stay, request or petition for FCC rehearing, reconsideration or review, reconsideration or review by the FCC on its own motion, or judicial appeal of such action or order is pending; and (c) as to which the time for filing any such protest, request for stay, request or petition for FCC rehearing, reconsideration or review, reconsideration or review by the FCC on its own motion, or judicial appeal of such action or order has expired.

"Foundation" means the WPWR-TV Channel 50 Foundation, an Illinois not-for-profit corporation.

"GAAP" means United States generally accepted accounting principles.

"Governmental Authority" means any United States federal, state or local or any non-United States government, governmental, regulatory or

administrative authority, agency or commission or any court, tribunal, or judicial or arbitral body.

"Governmental Order" means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

"Hazardous Materials" means any substance, material or waste that is listed, regulated or defined (a) as Hazardous Substances, Oils, Pollutants or Contaminants in the National Oil and Hazardous Substances Pollution Contingency Plan, 40 C.F.R. § 300.5, or defined as such by, or regulated as such or (b) under any Environmental Law, including petroleum, oil or any derivative thereof, PCBs or asbestos.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations thereunder.

"Intellectual Property" means (a) all trademarks, service marks, trade names, Internet domain names, call signs, designs, logos, slogans, jingles and general intangibles of like kind, together with all goodwill, associated therewith, including any registrations and/or applications relating to the foregoing; (b) all patents and copyrights, including any registrations and/or applications relating to either of the foregoing; (c) all Internet web sites, content and databases; (d) all software; (e) all confidential information, technology, know-how, inventions, processes, formulae, algorithms, models and methodologies; and (f) all Contracts with any third parties in respect of the foregoing.

"IRS" means the Internal Revenue Service.

"Knowledge of Seller" or "Seller's knowledge" means the actual knowledge of Lloyd Alan DeVaney or Charles Frank Gross, in each case after reasonable investigation on the part of any such Persons, but without making any independent investigation of any Laws.

"Landlord" means Tower Leasing, Inc., a Massachusetts corporation.

"Law" means any federal, state, local or non-United States statute, law, ordinance, regulation, rule, code, order or other requirement of law.

"Liabilities" means, as to any Person, all debts, adverse claims, liabilities and obligations, direct, indirect, absolute or contingent of such Person, whether accrued, vested or otherwise, whether in contract, tort, strict liability or otherwise and whether or not actually reflected, or required by GAAP to be reflected, in such Person's balance sheets or other books and records.

"Lien" means any mortgage, deed or trust, pledge, hypothecation, security interest, claim, lien, charge or other encumbrance of any kind or character.

"Losses" means any and all losses, damages, costs, costs of enforcement, expenses, Liabilities, obligations and claims of any kind (including any Action brought by any Governmental Authority or Person and including reasonable attorneys' and consultants' fees and expenses and other costs and expenses reasonably incurred in any investigation, remediation, defense or settlement).

"Market Cable System" means all U.S. cable systems located within any particular station's market, as defined in Section 76.55 of the FCC regulations.

"Material Adverse Effect" means a material adverse effect on: (a) the Broadcasting Assets taken as a whole, the results of operations or the financial condition of the Business, except for any adverse effect arising out of or resulting from (i) any change or development generally applicable to the television broadcast industry in Chicago, Illinois or the United States of America; (ii) any change or development generally applicable to the United States or in global economic conditions; (iii) the execution of this Agreement, the consummation of the transactions contemplated hereby or the public announcement hereof; (iv) any material adverse change since December 31, 2001 in the Station's "Nielsen Ratings" as reported in the ratings information provided by the Nielsen Media Research, Inc.; or (v) any change or development directly resulting from the failure of Purchaser to consent to any of the actions proscribed by Section 5.01; or (b) the ability of Seller to perform its obligations under this Agreement or the Ancillary Agreements and to consummate the transactions contemplated hereby or thereby.

"NTSC Antenna" means the antenna located on the West Antenna Mast (as defined in the Sears Tower Lease) used by Seller for the broadcasting of its Ch. 50 NTSC analog television signal and no other assets or rights.

"Paid Programming" shall mean all programming that Seller or any Affiliate is paid to broadcast on the Station and that requires longer than sixty (60) seconds continuous broadcasting time, including, all infomercials, telethons and special interests or promotional broadcasts.

"Pending Application" means Application Number 20201500 pending before the City of Chicago, Department of Buildings for the issuance of certain permits for 233 S. Wacker Drive, Chicago, Illinois or any refilings or amendments thereof.

"Permitted Liens" means the following Liens: (a) Liens for Taxes, assessments or other governmental charges or levies that are not yet due or payable; (b) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, materialmen, repairmen and other similar Liens imposed by Law and created in the ordinary course of the Business and on a basis consistent with past practice for amounts that are not yet due and payable; (c) Liens (other than any Lien imposed by ERISA) incurred or deposits made in the ordinary course of the Business and on a basis consistent with past practice in connection with workers' compensation, unemployment insurance or other types of social security; and (d) defects of title, easements, rights of way, restrictions or other similar Liens not materially interfering with the use and enjoyment of the affected property.

"Person" means any natural person, general or limited partnership, corporation, limited liability company, firm, association or other legal entity.

"Program Rights" means any rights of Seller presently existing or obtained after the date of this Agreement and prior to the Closing not in violation of Section 5.01 of this Agreement to broadcast television programs or shows as part of the Station's programming.

"Program Rights Agreement" means any agreement for the provision of Program Rights (including all film and program barter agreements, sports rights agreements, news rights or service agreements, syndication agreements and network affiliation agreements).

"Release" means any emission, spill, seepage, leak, escape, leaching, discharge, injection, pumping, pouring, emptying, dumping, disposal, migration, or release of Hazardous Materials from any source into or upon the environment, including the air, soil, improvements, surface water, groundwater, the sewer, septic system, storm drain, publicly owned treatment works, or waste treatment, storage, or disposal systems.

"Remediation" means any remediation, restoration investigation, cleanup, removal, treatment, response action, corrective action, monitoring, sampling, analysis, operation and maintenance with respect to a Release.

"Retained Programming Liabilities" means all obligations of Seller to provide cash payments under (i) Seller's agreement to broadcast the television program "Just Shoot Me" pursuant to the letter agreement dated May 23, 2000, between Seller and Columbia Tristar Television Distribution and (ii) Seller's agreement to broadcast the television program "Spin City" pursuant to the License Agreement dated June 18, 1998, between Seller and Paramount Pictures, as amended.

"Sears Tower Lease" means the Agreement of Lease made as of June 10, 1999, between Landlord and Seller, collectively with (i) the Tenant Work Letter; (ii) the Objectionable Interference Agreement between Landlord and Seller dated June 10, 1999; and (iii) the Condenser Water Addendum between Landlord and Seller dated June 10, 1999.

"Sears Tower Premises" shall mean the premises leased by Seller pursuant to the Sears Tower Lease.

"Silver King" means Silver King Broadcasting of Illinois, Inc., its successors and assigns.

"SK Asset Purchase Agreement" means that certain Asset Purchase Agreement between Metrowest Corporation and Silver King Broadcasting of Illinois, Inc. dated October 23, 1986 pursuant to which Seller conveyed a one-half interest in the NTSC Antenna.

"Station" means television station WPWR-TV, Channel 50, Gary, Indiana (including the allocation for digital television Channel 51).

"Studio" means the studio located at 2151 North Elston Avenue, Chicago, Illinois 60614.

"Tax" or "Taxes" means any and all income, excise, gross receipts, ad valorem, sales, use, employment, franchise, profits, gains, property, built-in gain, replacement, transfer, payroll, intangibles or other taxes, fees, stamp taxes, duties, charges, levies or assessments of any kind whatsoever (whether payable directly, indirectly or by withholding), together with any interest, penalties, additions to tax and additional amounts imposed by any Tax authority or Governmental Authority with respect thereto.

"Tax Returns" means all returns and reports (including elections, declarations, amendments, schedules, information returns or attachments thereto) required to be supplied to a Tax authority relating to Taxes.

"Tenant Work Letter" means the Tenant Work Letter between Landlord and Seller dated June 10, 1999.

"Tower Construction Projects" shall mean (a) the installation of all equipment for (i) a new analog transmitter for the Station, and (ii) two (2) DTV cabinets for the Station, (b) the dismantling and removal from the Sears Tower Premises of the original analog transmitter for the Station and the disposal thereof, (c) the installation of a third DTV cabinet for the Station, and (d) the installation of a standby generator for the Station, all as more fully described in the Sears Tower Lease and the Tower Permits and applications therefor.

"Tradeout Agreement" means any Contract of Seller, oral or written (other than film and program barter agreements) pursuant to which Seller has agreed to sell or trade commercial air time or commercial production services of the Station in consideration for any property or services in lieu of or in addition to cash.

"UPN" means United Paramount Network and its successors and assigns.

"UPN Agreement" means that certain Affiliation Agreement (Primary Affiliate), dated September 21, 1997 between Seller and UPN, as amended as of October 16, 1997.

SECTION 1.02 Glossary of Defined Terms. Each of the terms set forth below shall have the meaning ascribed thereto in the following sections:

<u>Term</u>	<u>Section</u>
Affected Employee	5.05(a)
Assignment Applications	5.04(b)
Assumed Liabilities.....	2.02(a)
Basket Amount	8.01(d)
Broadcasting Assets	2.01(a)
Business.....	Recitals
Call Sign Agreement	5.10
Carried Market Cable Systems	3.08(c)
Closing	2.04
Closing Date	2.04
Collection Period	2.08(a)
Confidentiality Agreement	5.03
Current Balance Sheet.....	3.04
DeVaney Contract.....	2.01(b)(xii)
ERISA	3.11(a)
ERISA Affiliate	3.11(a)
Escrow Agent	2.03(d)
Escrow Agreement.....	2.03(d)
Escrow Funds	2.03(d)
Escrow Payment Notice	8.01(f)
Excluded Assets	2.01(b)
Excluded Liabilities	2.02(b)
FCC Consents	5.04(b)
Financial Statements	3.04
Indemnifiable Loss.....	8.01(e)
Indemnified Party.....	8.01(d)
Indemnity Payment	8.01(e)

<u>Term</u>	<u>Section</u>
Indemnifying Party	8.01(d)
Lease Affiliate	5.09
Lease Agreement	5.09
Lease Election.....	5.09
Mixed Use Agreements	2.01(b)(xi)
Plans	3.11(a)
Post-Closing Expense Reimbursement Period	2.07(d)
Post-Closing Period.....	5.06(b)
Pre-Closing Period	5.06(b)
Prepaid Post-Closing Expenses	2.07(a)
Property Taxes	5.06(b)
Purchase Price.....	2.03(a)
Purchaser	Preamble
Purchaser Employee Plans	5.05(b)
Purchaser Indemnified Parties	8.01(b)
Purchaser's 401(k) Plan	5.05(f)
Reimbursement Amount	2.07(a)
Sears Tower Reimbursements	5.12
Seller	Preamble
Seller Indemnified Parties	8.01(c)
Seller's 401(k) Plan	5.05(f)
Special Adjustment	2.07(b)
Station Towers	3.09(d)
Straddle Period.....	5.06(b)
Terminating Purchaser Breach	7.01(b)
Terminating Seller Breach.....	7.01(c)
Third Party Accounts Receivable	2.08(a)
Tower Permits.....	3.09(d)
Transferred Contracts.....	2.01(a)(ii)
WARN.....	5.05(h)

SECTION 1.03 Terms Generally.

(a) Words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other genders as the context requires; (b) the terms "hereof", "herein", and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement and not to any particular provision of this Agreement, and Article, Section, paragraph, Exhibit and Disclosure Schedule references are to the Articles, Sections, paragraphs, Exhibits and Disclosure Schedule to this Agreement unless otherwise specified; (c) the word "including" and words of similar import when used in this Agreement, the Disclosure Schedule or any Ancillary Agreement shall mean

"including, without limitation," unless otherwise specified; (d) the word "or" shall not be exclusive and (e) provisions shall apply, when appropriate, to successive events and transactions.

ARTICLE II

PURCHASE AND SALE

SECTION 2.01 Purchase and Sale.

(a) Upon the terms and subject to the conditions of this Agreement, at the Closing, Seller shall sell, assign, transfer, convey and deliver to Purchaser, and Purchaser shall purchase and accept from Seller, all of Seller's right, title and interest in and to all of the assets owned, used in, or relating to, the Business, other than the Excluded Assets (the assets to be purchased by Purchaser being referred to as, the "Broadcasting Assets"), including the following:

(i) all broadcasting (including all towers, antennae, fixtures, spare parts, antennae installations, translators, earth stations, and other auxiliary facilities and all applications therefore, machinery and other equipment (mobile or otherwise)) office furniture, fixtures, tapes, office materials and supplies, tubes and other tangible personal property of every kind and description that are owned, used in, or that relate to, the Business, including the assets set forth in Section 2.01(a)(i) of the Disclosure Schedule;

(ii) all Contracts to which Seller or any Affiliate is a party or by which Seller or any Affiliate is bound that are used in, or that relate to, the Business or to which the Broadcasting Assets are subject, and all rights under such Contracts (excluding those rights that relate to the period ending immediately prior to the Closing Date) including (A) the Sears Tower Lease, (B) all orders, arrangements, Contracts and understandings for the sale of advertising time on the Station, except those which on the Closing Date have already been filled or have expired by their terms and (C) the Contracts set forth in Section 2.01(a)(ii) of the Disclosure Schedule (collectively, the "Transferred Contracts");

(iii) all (A) FCC Licenses and (B) any other permits, certificates, consents, approvals, licenses and authorizations issued or granted by any Governmental Authority used in, or that relate to, the Business;

(iv) the files, lists, tapes, books and records, including all FCC logs and other records, used in, or that relate to, the Business;

(v) the Business Intellectual Property and all computer hardware and peripheral equipment;

(vi) all programs and programming materials and elements of whatever form or nature owned by Seller that are used in, or that relate to, the Business, whether recorded on film, tape or any other medium or intended for live performance, television broadcast or other medium and whether completed or in production, and all related common law and statutory intangible rights used in, or that relate to, the Business;

(vii) all rights and claims relating to any other Broadcasting Asset or any Assumed Liability, including all guarantees, warranties, indemnities and similar rights in favor of Seller in respect of any other Broadcasting Asset or any Assumed Liability;

(viii) all Seller's goodwill in, and going concern value of, the Business;

(ix) all assets owned, used in, or that relate to, the Business located at the Studio;

(x) all prepayments or downpayments under any Transferred Contracts that are not otherwise reimbursed as provided under Section 2.07 hereof (other than advertising sales Contracts, which are covered by the immediately succeeding clause (xi));

(xi) all prepayments under advertising sales Contracts to the extent such prepayments or portion thereof is payment for committed air time for advertising that has not been aired prior to the Closing Date.

(b) Notwithstanding the terms of Section 2.01(a), Seller shall not sell, assign, transfer, convey or deliver to Purchaser, and Purchaser shall not purchase and accept, and the Broadcasting Assets shall not include, any of Seller's right, title and interest in and to any of the following assets (the "Excluded Assets"):

(i) all cash and cash equivalents, securities, and negotiable instruments of Seller on hand in financial institutions or elsewhere;

(ii) all Accounts Receivable;

(iii) all assets and properties of every kind and description and wherever located, directly or indirectly, owned or held for use by Seller and not used in, or related to, the Business;

(iv) all assets of Seller used in as of the date hereof, or held for use in as of the date hereof, at the building at 1645 West Fullerton Avenue, Chicago, Illinois 60614;

(v) Seller's prepaid business (including liability, business interruption and the like) and group insurance premiums;

(vi) all Contracts of insurance;

(vii) all rights related to the sign adjacent to the Studio;

(viii) all rights and claims relating to any Excluded Assets or any Excluded Liabilities, including all guarantees, warranties, indemnities and similar rights in favor of Seller or any of its Affiliates in respect of any Excluded Assets or any Excluded Liabilities;

(ix) any rights to Tax refunds, credits or similar benefits or Tax attributes relating to or attributable to periods ending, or an event occurring, prior to the Closing Date;

(x) all realty, easements, rights of way, leasehold interests in real estate, buildings and improvements, including any undivided interest in any of the foregoing, owned or leased by Seller, other than Seller's rights under the Sears Tower Lease;

(xi) all Contracts to which Seller is a party or by which Seller is bound that (A) subject to Section 5.11, grant rights to both the Station and television station KTVD-TV, Channel 20, Denver, Colorado (the "Mixed Use Agreements"), including the Contracts set forth in Section 2.01(b)(xi) of the Disclosure Schedule, (B) are bonus, stay bonus or retention agreements or similar arrangements between the Seller and any Employee, (C) (1) were required to be disclosed in Section 3.15(a) of the Disclosure Schedule, but were not and individually involve payments or receipts remaining after the Closing in excess of \$50,000 or in the aggregate for all such undisclosed Contracts involve payments or receipts remaining after the Closing in excess of \$500,000); provided that any employment agreements which were required to be disclosed in Section 3.15(a) of the Disclosure Schedule, but were not, shall be Excluded Assets; or (2) were entered into by Seller in breach of Section 5.01 of this Agreement, unless, in any such case,

Purchaser specifically requests in writing to and does assume any such Contract described in this Section 2.01(b)(xi)(C);

(xii) all Plans and the Employment Agreement between Seller and Al DeVaney, dated August 27, 1999, as amended (the "DeVaney Contract"), and any other Contract with Al DeVaney;

(xiii) the minute books from the meetings of the board of directors and stockholder of Seller, the stock records and corporate seal of Seller and the Tax Returns and records relating to Taxes of Seller;

(xiv) all rights of Seller to the Sears Tower Reimbursements; and

(xv) all rights of Seller under this Agreement and the Ancillary Agreements.

SECTION 2.02 Assumption and Exclusion of Liabilities.

(a) Assumed Liabilities. Upon the terms and subject to the conditions set forth in this Agreement, Purchaser shall, on the Closing Date, assume, agree to pay, perform and discharge when due, and indemnify and hold Seller harmless in accordance with Article VIII from and against, any and all Losses attributable to only the following liabilities (the "Assumed Liabilities"):

(i) all Liabilities arising under any Transferred Contracts relating to the operation of the Business or the Station on or after the Closing Date, other than any Retained Programming Liabilities;

(ii) the Liabilities expressly assumed by Purchaser as set forth in Section 5.05 of the Agreement;

(iii) all Liabilities arising out of vacation benefits for any Affected Employee that first accrued or were earned on or after January 1, 2002; and

(iv) all Liabilities arising out of or relating to the ownership of the Broadcasting Assets or operation of the Business, Broadcasting Assets or the Station on or after the Closing Date.

(b) Excluded Liabilities. Except for the Assumed Liabilities, Purchaser shall not assume or be liable for and Seller shall retain, pay, perform and discharge when due, and indemnify and hold Purchaser harmless in accordance with Article VIII from and against any other Liabilities of Seller (the "Excluded Liabilities"), including the following Liabilities:

(i) all Taxes of Seller or attributable to the Business or the Broadcasting Assets for any period, or any portion of any period, ending prior to the Closing Date;

(ii) all Taxes of Seller attributable to the Business or the Broadcasting Assets resulting from the transactions contemplated hereby (except as provided in Section 5.06);

(iii) [INTENTIONALLY OMITTED];

(iv) all Retained Programming Liabilities;

(v) all Liabilities relating to or arising out of any of the Excluded Assets;

(vi) all intercompany payables;

(vii) any Liabilities of Seller under this Agreement and the Ancillary Agreements;

(viii) all Liabilities arising under any Transferred Contracts (other than (i) any Program Rights Agreement that is a Transferred Contract and (ii) the Blair Agreement) for which the Seller has already received the partial or full benefit of the asset or assets to which such Liabilities relate, but only to the extent of such benefit received;

(ix) any Liabilities arising out of any severance policy of Seller or any severance agreement or similar arrangement between Seller and any Employee that also results or arises from the transactions contemplated by this Agreement; provided, that nothing herein shall limit Purchaser's obligations under Section 5.05(c);

(x) any Liabilities for severance or any similar obligation of Seller arising by operation of Law that results or arises from the transactions contemplated by this Agreement; provided, that nothing herein shall limit Purchaser's obligations under Section 5.05(c);

(xi) any Liabilities arising out of vacation benefits for any Employee that accrued or were earned prior to January 1, 2002; and

(xii) all Liabilities arising out of or relating to the ownership of the Broadcasting Assets or operation of the Business, Broadcasting Assets or the Station prior to the Closing Date.

SECTION 2.03 Purchase Price; Allocation of Purchase Price.

- (a) The aggregate purchase price for the Broadcasting Assets shall be Four Hundred Twenty-Five Million Dollars (\$425,000,000) (the "Purchase Price").
- (b) Purchaser shall pay the Purchase Price, less the Escrow Funds, in cash to Seller at the Closing as provided in Section 2.06(a).
- (c) Seller and Purchaser agree that the sum of the Purchase Price plus the Assumed Liabilities (and subsequent adjustments, if any) shall be allocated among the Broadcasting Assets as of the Closing Date in accordance with Section 2.03(c) of the Disclosure Schedule. Each of Purchaser and Seller shall (i) timely file all forms (including IRS Form 8594) and Tax Returns required to be filed in connection with such allocation; (ii) be bound by such allocation for purposes of determining Taxes; (iii) prepare and file, or cause to be prepared and filed, its Tax Returns on a basis consistent with such allocation; and (iv) take no position, or cause no position to be taken, inconsistent with such allocation on any applicable Tax Return, in any audit or proceeding before any Governmental Authority, in any report made for Tax, financial accounting or any other purposes, in any litigation, or otherwise. If the allocation set forth on Section 2.03(c) of the Disclosure Schedule is disputed by any Governmental Authority, the party receiving notice of such dispute shall promptly notify the other party hereto concerning the existence and resolution of such dispute.
- (d) Purchaser shall withhold from the Purchase Price payable to Seller at Closing, an amount of cash equal to Forty-Two Million Five Hundred Thousand Dollars (\$42,500,000) (the "Escrow Funds"). The Escrow Funds will be deposited at Closing with an escrow agent to be mutually agreed upon by Seller and Purchaser (the "Escrow Agent") and be held and released to Seller or Purchaser, as applicable, in accordance with the terms of the Escrow Agreement in substantially the form attached hereto as Exhibit D, with such changes as may be reasonably required by the Escrow Agent (the "Escrow Agreement").

SECTION 2.04 Closing. Subject to the terms and conditions of this Agreement, the sale and purchase of the Broadcasting Assets contemplated hereby shall take place at a closing (the "Closing") to be held at 10:00 a.m., Chicago time, on the fifth (5th) Business Day following the satisfaction or waiver of the conditions to the obligations of the parties set forth in Article VI, at the offices of Skadden, Arps, Slate, Meagher & Flom (Illinois), 333 West Wacker Drive, Chicago, Illinois, or at such other time or on such other date or at such other place as Seller and Purchaser may mutually agree upon in writing (the day on which the Closing takes place being, the "Closing Date").

SECTION 2.05 Closing Deliveries by Seller. At the Closing, Seller shall deliver or cause to be delivered to Purchaser:

- (a) receipts for the Purchase Price, less the Escrow Funds, and the Reimbursement Amount, to the extent provided in Section 2.07;
- (b) the Special Adjustment, by a reduction in the Purchase Price;
- (c) the Bill of Sale;
- (d) the certificates and other documents to be delivered pursuant to Article VI;
- (e) the Assignment and Assumption of Lease Agreement;
- (f) copies of all requisite waivers, consents, approvals, authorizations, qualifications and other orders of any Governmental Authorities with competent jurisdiction over the transactions contemplated hereby, and all requisite consents, approvals or waivers from third parties which Seller has obtained and which are necessary to effect valid transfer and assignment of the Broadcasting Assets to Purchaser pursuant to this Agreement and to otherwise consummate the transactions contemplated hereby;
- (g) evidence that all bank or other deposit accounts of the Station have been closed and copies of notices advising the Station's payors to make payment to Purchaser or to the Station on behalf of Purchaser;
- (h) copies of checks issued by Seller or evidence of wire transfers to catch up to current paid-in-full any and all past due amounts under Program Rights Agreements; and
- (i) such other certificates, instruments of conveyance, and documents as may be reasonably requested by Purchaser prior to the Closing Date to carry out the intent and purposes of this Agreement.

SECTION 2.06 Closing Deliveries by Purchaser. At the Closing, Purchaser shall deliver to Seller:

- (a) the Purchase Price, less the Escrow Funds, and the Reimbursement Amount to the extent agreed prior to the Closing Date, by wire transfer in immediately available funds, to an account or accounts designated at least two (2) Business Days prior to the Closing Date by Seller in a written notice to Purchaser;

- (b) receipts for the Special Adjustment;
- (c) the Assumption Agreement;
- (d) the Assumption Agreement relating to the UPN Agreement attached as Exhibit H hereto;
- (e) the certificates and other documents to be delivered pursuant to Article VI; and
- (f) such other certificates, instruments of conveyance, and documents as may be reasonably requested by Seller prior to the Closing Date to carry out the intent and purposes of this Agreement.

SECTION 2.07 Prepaid Expenses.

(a) Not later than three (3) Business Days prior to the Closing Date, Seller shall deliver to Purchaser a schedule prepared in good faith that will be discussed with, and in good faith agreed to by, Purchaser detailing (i) all real and personal property lease and rental charges, monthly utility charges, Program Rights payments (but only to the extent contractually due in the month in which the Closing takes place and specifically excluding any other expenses relating to any Program Rights downpayments or prepayments or similar charges no matter when paid), music license fees, and any other expenses related to the Broadcasting Assets for which Seller has, or will have, prepaid prior to the Closing Date and the amount of such prepaid expenses which relate to periods including and after the Closing Date (the "Prepaid Post-Closing Expenses"). At the Closing, Purchaser shall reimburse Seller in cash for the amount of all Prepaid Post-Closing Expenses (the "Reimbursement Amount"). It is agreed and understood by the parties that in calculating Prepaid Post-Closing Expenses all prepaid expenses shall be allocated on a pro rata basis, including with respect to prepaid expenses for a calendar month in which the Closing takes place (including any payables under Program Rights Agreements that are contractually due in the month in which the Closing takes place) based upon the number of days in the calendar month in which the Closing takes place. To the extent that the Reimbursement Amount is not agreed or cannot be determined by the Closing, Seller and Purchaser agree to negotiate in good faith to agree upon the Reimbursement Amount as promptly as practicable, and Purchaser shall promptly remit the Reimbursement Amount to Seller after such agreement.

(b) In addition, at the Closing, Seller shall pay to Purchaser at the Closing, in cash, the Special Adjustment. As used herein, "Special Adjustment" means the amount determined as provided in Section 2.07(b) of the Disclosure Schedule.

(c) For illustration purposes, Section 2.07(c) of the Disclosure Schedule contains a pro forma calculation of (i) the Special Adjustment assuming the Closing occurred on January 1, 2002 and (ii) the Prepaid Post-Closing Expenses assuming the Closing occurred on January 1, 2002.

(d) From and after the Closing, in the event Purchaser receives any invoice or bill relating to expenses of the Station related to the Broadcasting Assets, the Station or the Business that covers, in whole or in part, the period ending on or before midnight on the day immediately preceding the Closing Date (the "Pre-Closing Expense Reimbursement Period"), Purchaser shall promptly provide Seller with written notice including a copy of the invoice or bill and a calculation of the amount of such bill or invoice that relates to the Pre-Closing Expense Reimbursement Period. Seller shall promptly, but in no event more than five (5) Business Days after receipt of such notice, remit to Purchaser the amount specified in the notice or provide Purchaser with written notice that it in good faith disputes the amount specified in such notice. In the event that Seller provides such dispute notice, Seller and Purchaser agree to negotiate in good faith to resolve the dispute as promptly as practicable, and Seller shall promptly remit any amounts owed to Purchaser after such resolution. Purchaser shall have no obligation to pay any invoice or bill that relates to the Pre-Closing Expense Reimbursement Period, unless and until Seller has made a payment to Purchaser in connection therewith.

(e) Notwithstanding the foregoing, the apportionment of Property Taxes shall be solely as provided in Section 5.06(b).

SECTION 2.08 Third Party Accounts Receivable.

(a) On the Closing Date, Seller shall prepare and deliver to Purchaser a statement listing all Accounts Receivable other than any intercompany accounts receivable (the "Third Party Accounts Receivable"). During the period commencing with the Closing Date and ending on the 120th day after the Closing Date (the "Collection Period"), subject to the provisions of this Agreement, Purchaser shall use its commercially reasonable efforts to collect the Third Party Accounts Receivable consistent with the practices of Purchaser for collection of accounts receivable of Purchaser. Purchaser shall account to Seller and remit to Seller all amounts collected by Purchaser with respect to the Third Party Accounts Receivable in accordance with the following schedule: (i) on or before the twentieth (20th) day of the first complete broadcast month after the Closing Date, remit all amounts collected up to the end of the previous broadcast month; and (ii) on or before the twentieth (20th) day of each succeeding broadcast month, remit all amounts collected during the month previous thereto. With each remittance, Purchaser shall furnish a statement of the amounts collected with respect to the Third Party Accounts Receivable and the Persons from whom such amounts were collected. Any payment received by Purchaser (i) at any time after the Closing and

(ii) from a customer of the Business after the Closing who was also a customer of the Business prior to the Closing, shall be presumptively applied to the accounts receivable for such customer outstanding for the longest amount of time and, if such accounts receivable shall be a Third Party Accounts Receivable, remitted to Seller in accordance with the provisions set forth above; provided, however, that if, prior to the Closing, Seller or, after the Closing, Seller or Purchaser received or receives a written notice of dispute from a customer with respect to a Third Party Accounts Receivable that has not been resolved, then Purchaser shall apply any payments from such customer to such customer's oldest, non-disputed accounts receivable. Purchaser shall not be obligated to litigate or refer any of the Third Party Accounts Receivable to a collection agency, an attorney or any other third party for collection. Purchaser shall incur no liability to Seller for any collected (other than to comply with Purchaser's remittance obligations in the second sentence of this Section 2.08(a)) or uncollected Third Party Accounts Receivable (other than to comply with the provisions of this Section 2.08(a)). Notwithstanding the foregoing, if Seller has referred any Third Party Accounts Receivable to a collection agency or to any attorney or other Person for collection prior to the Closing Date, Purchaser shall not be authorized to collect such Third Party Accounts Receivable on behalf of Seller, and Seller shall have full authority to attempt to collect such Third Party Accounts Receivable, provided that, after the date of this Agreement and prior to the Closing Date, Seller shall not refer any Third Party Accounts Receivable to a collection agency or to an attorney or third Person without the consent of Purchaser (which consent shall not be unreasonably withheld, conditioned or delayed), unless such Third Party Accounts Receivable is at least 90 days past due. Except as provided in the preceding sentence, during the Collection Period, Seller shall not make efforts to collect the Third Party Accounts Receivable.

(b) Following the expiration of the Collection Period, Purchaser shall have no further obligations under this Section 2.08, except that Purchaser shall immediately pay over to Seller any amounts not previously remitted to Seller and promptly (and in no event later than five (5) Business Days after the receipt of such amounts) pay any amounts subsequently paid to it with respect to any Third Party Accounts Receivable. Following the Collection Period, after consultation with Purchaser, Seller may pursue collections of all the Third Party Accounts Receivable, and Purchaser shall at Seller's expense deliver to Seller all files, records, notes and any other materials relating to the Third Party Accounts Receivable and shall, at Seller's expense, otherwise reasonably cooperate with Seller for the purpose of collecting any outstanding Third Party Accounts Receivable.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Purchaser, except as otherwise set forth in the Disclosure Schedule, as follows (it being agreed and understood that (i) any matter set forth for purposes of this Article III in any section of the Disclosure Schedule shall be deemed disclosed with respect to any other section of this Article III to the extent an explicit cross reference to such other section of this Article III is provided and (ii) no reference to or disclosure of any item on the Disclosure Schedule shall be construed as an admission or indication that such item or other matter is material or that such item or other matter is required to be referred to or disclosed on the Disclosure Schedule):

SECTION 3.01 Incorporation and Authority of Seller. Seller is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Illinois and has all necessary corporate power and authority to enter into this Agreement and each applicable Ancillary Agreement, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and each applicable Ancillary Agreement by Seller, the performance by Seller of its obligations hereunder and thereunder and the consummation by Seller of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of Seller. This Agreement has been, and at the Closing each Ancillary Agreement executed and delivered by Seller will be, duly executed and delivered by Seller, and (assuming due authorization, execution and delivery by Purchaser) this Agreement constitutes, and at the Closing each Ancillary Agreement executed and delivered by Seller will constitute, the legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, subject to the effect of any applicable bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance or similar Laws affecting creditors' rights generally and subject, as to enforceability, to the effect of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

SECTION 3.02 No Conflict. Assuming all consents, approvals, authorizations and other actions described in Section 3.03 have been obtained, and except as may result from any facts or circumstances relating solely to Purchaser or as set forth in Section 3.02 of the Disclosure Schedule, the execution, delivery and performance of this Agreement and the applicable Ancillary Agreements by Seller do not and will not (a) violate or conflict with the Articles of Incorporation or By-Laws of Seller, (b) conflict with or violate any Law or Governmental Order applicable to Seller, or (c) result in any breach of, or constitute a default (or event which with the giving of notice or lapse of time, or both, would become a default)

under, or give to any Person any rights of termination, amendment, acceleration or cancellation of, or result in the creation of any Lien (other than a Permitted Lien) on any of the Broadcasting Assets pursuant to, any Contract to which Seller is a party or by which any Broadcasting Assets are subject, except in the case of clauses (b) and (c) above, for any such conflicts, violations, breaches, defaults, rights or Liens as would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

SECTION 3.03 Consents and Approvals. Except as set forth in Section 3.03 of the Disclosure Schedule, the execution and delivery of this Agreement and the applicable Ancillary Agreements by Seller do not, and the performance of this Agreement and the applicable Ancillary Agreements by Seller will not, require any consent, approval, authorization or other action by, or filing with or notification to any Governmental Authority or any other Person, except (a) the notification requirements of the HSR Act, (b) the FCC, (c) as may be necessary as a result of any facts or circumstances relating solely to Purchaser or its Affiliates or (d) where the failure to obtain such consents, approvals or authorizations, to take such action, or to make such filing or notification would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

SECTION 3.04 Financial Information. The audited balance sheets of the Station for the fiscal years ended December 31, 2000 and December 31, 2001, and the related audited statements of income and cash flows of the Station, together with all notes and schedules related thereto, and the unaudited balance sheet for the Station dated as of March 31, 2002 (the "Current Balance Sheet") are set forth in Section 3.04(a) of the Disclosure Schedule (collectively, the "Financial Statements"). The Financial Statements are true and complete in all material respects. Except as set forth therein and except as set forth in Section 3.04(b) of the Disclosure Schedule, the Financial Statements (a) have been prepared in accordance with the books and records of Seller and in accordance with GAAP, applied on a consistent basis throughout the periods indicated therein (except that any unaudited Financial Statements may not contain all of the notes required by GAAP); and (b) present fairly, in all material respects, the financial condition of the Station as of the respective dates and for the respective periods thereof.

SECTION 3.05 Absence of Certain Changes or Events.

(a) Except as set forth on Section 3.05(a) of the Disclosure Schedule, since December 31, 2001, (i) the Business has been conducted in the ordinary course consistent with past practice and (ii) to the date hereof, there has not been any change or development that would be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

(b) Since December 31, 2001, except as set forth in Section 3.05 (b) of the Disclosure Schedule and except as permitted by Section 5.01, there has not been:

(i) any incurrence, assumption or guarantee by Seller of any indebtedness for borrowed money with respect to the Business, in each case that may bind or obligate Purchaser or any of its Affiliates in any way upon or as a result of the consummation of the transactions contemplated hereby;

(ii) any making of any loan, advance or capital contributions to or investment in any Person, in each case that may bind or obligate Purchaser or any of its Affiliates in any way upon or as a result of the consummation of the transactions contemplated hereby;

(iii) as of the date hereof, any damage, destruction or loss, whether or not covered by insurance, with respect to the property and assets of the Station having a replacement cost of more than \$25,000 for any single loss or \$100,000 for all such losses;

(iv) as of the date hereof, instituted or settled any material legal proceeding relating to the Business;

(v) as of the date hereof, any material transaction or commitment made, or any material Contract entered into, by Seller relating to the Business or Broadcasting Assets (including the acquisition or disposition of any assets) or any relinquishment by Seller of any material Contract or other material right relating to the Business or Broadcasting Assets, in either case, other than such transactions and commitments in the ordinary course of business consistent with past practices and those contemplated by this Agreement;

(vi) any material change in the Station's usage or pattern of usage of Program Rights, any material change in the broadcast hours or in the percentages of types of programming broadcast by the Station or any other material change in the programming policies of the Station, except in the ordinary course of business consistent with past practice;

(vii) as of the date hereof, the creation or other incurrence of any Lien on any material asset relating to the Business other than Permitted Liens;

(viii) any (A) adoption of a new employee benefit plan, or amendment of any existing employee benefit plan, covering any of the Employees to increase benefits thereunder, except as may have been

required by applicable Law, (B) increase in compensation, except for normal increases in the ordinary course of business consistent with past practice, paid to any of the Employees, (C) entering into or amendment of any employment, severance, termination or similar agreement with any of the Employees and (D) grant of any severance or termination pay to any officer of Seller or employee of the Business other than in accordance with the terms of Seller's severance and benefit plans as set forth in Section 3.11(a) of the Disclosure Schedule;

(ix) as of the date hereof, any labor dispute, other than routine individual grievances, or any activity or proceeding by a labor union or representative thereof to organize any employees of the Station, or any lockouts, strikes, slowdowns, work stoppages or threats thereof by or with respect to any employees of the Station;

(x) any change in any method of accounting or accounting practice by Seller with respect to the Business except for any such change required by reason of a concurrent change in GAAP; or

(xi) any agreement or commitment to do anything set forth in this Section 3.05(b).

SECTION 3.06 Absence of Litigation. Except as set forth in Section 3.06 of the Disclosure Schedule, as of the date hereof, (a) there are no Actions pending, or to the Knowledge of Seller, threatened against Seller or any of the assets or properties of Seller that would be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect or would prevent Seller from consummating the transactions contemplated hereby and (b) Seller and its assets and properties are not subject to any Governmental Orders that would be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

SECTION 3.07 Compliance with Laws. Seller is not in and has not been given written notice of any violation, and to the Knowledge of Seller, is not under investigation with respect to and has not been threatened to be charged with any violation of, any Laws or Governmental Orders applicable to the conduct of the Business, except (a) as set forth in Section 3.07 of the Disclosure Schedule or (b) for violations the existence of which would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

SECTION 3.08 Licenses and Authorizations.

(a) Section 1.01(a) of the Disclosure Schedule contains a true and complete list of all FCC Licenses as of the date hereof. Seller is the authorized and legal holder of all FCC Licenses. The FCC Licenses constitute all of

the licenses, permits or authorizations from the FCC necessary to entitle Seller to own and operate the Station and carry on the Business as currently conducted.

(b) Except as relates to any applications for FCC Licenses, the FCC Licenses are valid and in full force and effect. There is no application, action or proceeding pending for the renewal or modification of any FCC License, and except for actions or proceedings affecting television broadcast stations generally, no application, complaint, action or proceeding is pending or, to the Knowledge of Seller, threatened that may result in the revocation or suspension of, or a material adverse modification to, any of the FCC Licenses. The Station, its respective physical facilities, electrical and mechanical systems and transmitting and studio equipment (i) are being operated in all material respects in compliance with the specifications of the applicable FCC Licenses, and (ii) are being operated in compliance in all material respects with all requirements of the Communications Act.

(c) Section 3.08(c) of the Disclosure Schedule contains a list of all Market Cable Systems on which the Station is carried as of the date hereof (the "Carried Market Cable Systems"). As of the date hereof, no Carried Market Cable System has provided written notice to Seller alleging that the Station does not deliver an adequate signal level or has failed to respond to a request for carriage or, to the Knowledge of Seller, has sought any form of relief from carriage of the Station from the FCC. As of the date hereof, there are no Carried Market Cable Systems that have given written notice of such Carried Market Cable System's intention to delete the Station from carriage or to change the Station's channel position on such cable system.

SECTION 3.09 Personal Property; Real Property.

(a) Except for items of material tangible personal property under repair or out of service in the ordinary course (which items shall be repaired and put back into use of the Business in the ordinary course and consistent with past practice) and items of tangible personal property related to uncompleted portions of the Tower Construction Projects (subject to Seller's obligations set forth in Section 5.18) and except as set forth in Section 3.09(a) of the Disclosure Schedule, each material item of tangible personal property included in the Broadcasting Assets is in reasonably good condition and repair, ordinary wear and tear excepted, and is not in need of imminent repair or replacement and those material items of tangible personal property included in the Broadcasting Assets constituting transmitting and studio equipment are operating in accordance with their intended use and since December 31, 2001, have been maintained in such condition and otherwise according to standards of good engineering practice in the television broadcasting industry.

(b) Except as set forth in Section 3.09(b) of the Disclosure Schedule other than the Sears Tower Premises and the Studio, neither the Seller nor any other Person owns, leases, subleases, licenses or uses any real property in the Business. The Sears Tower Lease is in full force and effect and constitutes a legal, valid and binding obligation of, and is legally enforceable against Seller and, to the Knowledge of Seller, each other party thereto, subject to the effect of any applicable bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance or similar Laws affecting creditors' rights generally and subject, as to enforceability, to the effect of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), and grants the leasehold interest it purports to grant, and Landlord does not have any right to terminate the Sears Tower Lease (other than for a default by the tenant thereunder). The Sears Tower Lease has not been amended, modified or supplemented in writing. Except for the SK Asset Purchase Agreement and other than with respect to sharing ownership of the NTSC Antenna as provided in the SK Asset Purchase Agreement, there are no Contracts with respect to the ownership, use and/or operation of the NTSC Antenna between Seller and Silver King.

(c) Except as set forth in Section 3.09(c) of the Disclosure Schedule, Seller has complied with all of the material provisions of the Sears Tower Lease and is not in default thereunder in any respect, and there has not occurred any event which (whether with or without notice, lapse of time or the happening or occurrence of any other event) would constitute such a default by Seller or, to the Knowledge of Seller, any other party to the Sears Tower Lease.

(d) To the Knowledge of Seller, Seller has obtained or submitted an application to obtain (or the fee owner of the real property leased pursuant to the Sears Tower Lease or the general contractor for the Tower Construction Projects has obtained or submitted an application to obtain) all appropriate certificates of occupancy, permits, licenses, easements and rights of way, including proofs of dedication, including such permits which may be granted pursuant to the Pending Application (collectively, the "Tower Permits") required to occupy the Sears Tower Premises and to use and operate the analog and digital towers, antennae, standby generator and all other equipment subject to (or to become subject to) the terms and conditions of the Sears Tower Lease as contemplated by the Tenant Work Letter or otherwise (collectively, the "Station Towers"). To the Knowledge of Seller, the current use and occupation of any portion of the Sears Tower Premises (and the proposed use under the Sears Tower Lease with respect to the Station Towers) does not violate, in any material respect, any Tower Permits (if and to the extent granted). No additional approvals, permits or licenses will be required, as a result of the transactions contemplated by this Agreement, to be issued after the date hereof in order to permit Purchaser from and after the Closing to occupy the Sears Tower Premises and to use and operate the Station Towers pursuant to the Sears Tower Lease in all material respects in the same manner as heretofore

owned or operated (or as contemplated to be operated under the Sears Tower Lease), other than any such approvals, permits or licenses that are ministerial in nature and are normally issued in due course upon application therefor.

SECTION 3.10 Intellectual Property.

(a) Section 3.10(a) of the Disclosure Schedule sets forth a true and complete list of all material Business Intellectual Property comprising: (i) patents and patent applications; (ii) trademark and service mark registrations (including Internet domain name registrations), trademark and service mark registration applications and unregistered trademarks and service marks; (iii) copyright registrations, copyright registration applications and unregistered copyrights; and (iv) proprietary software. There are no pending or, to the Knowledge of Seller, threatened Actions against Seller in respect to any Business Intellectual Property which would have a Material Adverse Effect. Seller has such ownership of or such rights by Contract in and to the Business Intellectual Property as are necessary to conduct the Business as currently conducted, except where the failure to have such rights would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

(b) Other than Sections 3.02, 3.03, 3.05 and 3.15 of this Agreement, but subject to the Disclosure Schedules applicable to such Sections, the only representations and warranties given in respect of the Business Intellectual Property and matters and agreements relating thereto are those contained in this Section 3.10 and none of the other representations and warranties of Seller shall be deemed to constitute, directly or indirectly, a representation or warranty in respect of Business Intellectual Property and matters or agreements relating thereto.

SECTION 3.11 Employee Benefit Plans.

(a) Section 3.11(a) of the Disclosure Schedule contains a true and complete list of each material employee benefit plan, arrangement or policy subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), including any deferred compensation, bonus, incentive compensation, stock purchase, stock option, equity compensation plan, program, policy, agreement or arrangement; each material severance or termination pay, medical, surgical, hospitalization, life insurance and other "welfare" plan, fund or program (within the meaning of Section 3(1) of ERISA); each material profit-sharing, stock bonus or other "pension" plan, fund or program (within the meaning of Section 3(2) of ERISA); each material employment, termination or severance agreement, as well as any other non-ERISA bonus, commission or incentive programs, and each other material employee benefit plan, fund, program, policy, agreement or arrangement, in each case, that is sponsored, maintained or contributed to or required to be contributed to by Seller or by any trade or business, whether or not incorporated (an "ERISA Affiliate"), that together with Seller would be deemed a "single employer"

within the meaning of Section 4001(b) of ERISA, or to which Seller or an ERISA Affiliate is party, whether written or oral, for the benefit of any Employee (each, a "Plan" and collectively, the "Plans").

(b) No liability under Title IV or Section 302 of ERISA has been incurred by Seller or any ERISA Affiliate that has not been satisfied in full, and no condition exists that presents a material risk to Seller or any ERISA Affiliate of incurring any such liability.

(c) Except as set forth in Section 3.11(c) of the Disclosure Schedule, the consummation of the transactions contemplated by this Agreement will not (i) entitle any Employee to severance pay, unemployment compensation or any other payment, except as expressly provided in this Agreement, or (ii) accelerate the time of payment or vesting, or increase the amount of compensation due any Employee.

(d) There are no pending claims by or on behalf of any Plan by any Employee or beneficiary covered under any such Plan, or otherwise involving any such Plan (other than routine claims for benefits).

(e) No Plan is a "multi-employer plan" within the meaning of Section 3(37)(A) of ERISA, and Purchaser will have no outstanding liability with respect to any such Plan (contingent or otherwise).

SECTION 3.12 Labor Matters. As of the date hereof, Seller is not, and from December 31, 2000, to the date hereof, has not been, a party to any collective bargaining or other labor union contract applicable to the Employees and no collective bargaining agreement is presently being negotiated by Seller. As of the date hereof, there are no labor disputes, strikes or work stoppages against Seller pending or, to the Knowledge of Seller, threatened which may interfere with the Business. As of the date hereof, there are no, and for two (2) years preceding the date hereof, there have not been any, charges or complaints against Seller filed with or issued by the National Labor Relations Board or any comparable state agency pending or, to the Knowledge of Seller, threatened, except where such charges or complaints would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

SECTION 3.13 Taxes. All federal, state, local and foreign Tax Returns required to be filed by Seller, where the failure to file such Tax Returns on a timely basis could result in a material Lien on the Broadcasting Assets or the imposition on Purchaser or any Affiliate of Purchaser of any material Liability for Taxes, have been timely filed with the appropriate Governmental Authority. All Taxes due or payable by Seller pursuant to said Tax Returns or otherwise have been paid, except for Taxes that are being contested in good faith and for which adequate reserves have been established in accordance with GAAP and except where the

failure to pay or contest such amounts would not result in a material Lien on the Broadcasting Assets or the imposition on Purchaser or any Affiliate of Purchaser any material liability for Taxes. Seller has made a valid election under Section 1362 of the Code to be an S corporation which became effective on January 1, 1992, and such election has been in effect at all times since the beginning of the taxable year in which such election was made. To the Knowledge of Seller, there are no Tax audits pending and there are no outstanding agreements or waivers by Seller extending the statutory period of limitations applicable to any federal, state, local or foreign income Tax Return for any period, the consequences of which could result in a material Lien on the Broadcasting Assets or the imposition on Purchaser or any Affiliate of Purchaser of any material Liability for any Taxes.

SECTION 3.14 Ability to Conduct Business. Other than the Excluded Assets, the Broadcasting Assets constitute all of the material tangible and intangible assets that are necessary to the continued conduct of the Business by Purchaser in all material respects in the same manner as the Business is conducted as of the date of this Agreement (it being understood and agreed that nothing set forth in this Section 3.14 constitutes a representation or warranty that the Business can or will be operated at the existing performance levels following the Closing Date).

SECTION 3.15 Material Contracts.

(a) Except as set forth in Section 3.15(a) of the Disclosure Schedule, as of the date of this Agreement, the Transferred Contracts listed in Section 2.01(a)(ii) to the Disclosure Schedule constitute all of the Contracts relating to the Business: (i) for the sale of broadcast time for advertising for cash that was not made in the ordinary course of Business consistent with past practice, (ii) with a remaining term of more than six (6) months from the date of this Agreement and that involve payments or receipts over such remaining term of more than \$25,000 with respect to any single agreement and \$200,000 in the aggregate for all such non-disclosed Contracts with respect to the Station (except for Transferred Contracts for the sale of broadcast time for advertising for cash that were made in the ordinary course of Business consistent with past practice), (iii) involving construction, architecture, engineering or other agreements related to uncompleted construction projects, in each case that involves remaining payments over \$50,000; (iv) constituting a mortgage, pledge or security agreement, deed of trust or other instrument granting a Lien (other than Permitted Liens) upon any of the Broadcasting Assets, (v) containing noncompetition restrictions binding on : (A) the Station or its Employees or consultants and relating to the Station or (B) any of the Affiliates of the Station that may bind the Purchaser or its Affiliates as a result of the consummation of the transactions contemplated by this Agreement, (vi) involving a joint venture or similar agreement with another party with respect to all or any part of the operations of the Station, (vii) involving any Contract with any Affiliate of Seller or any officer, director or employee of the Seller or its Affiliates, (viii)

involving employment by the Station of any Employee or consultant or (ix) constituting material Contracts that were not entered into in the ordinary course of the Business consistent with past practice.

(b) Except as set forth Section 3.15(b) of the Disclosure Schedule, neither the Business nor the Station is subject to (i) any agreement for Paid Programming with a term in excess of three (3) months or that requires Paid Programming to be aired between 9:00 a.m. and 1:00 a.m. or (ii) any Tradeout Agreements.

(c) No default (with the lapse of time or giving of a notice or both) on the part of Seller and, to the Knowledge of Seller, any other party thereto exists under any of the Transferred Contracts other than such defaults that would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

(d) Seller has not received written notice of any default under any material Transferred Contract.

(e) Except as would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect, each Transferred Contract is in full force and effect (unless it has expired in accordance with its terms) and constitutes the legal and binding obligation of, and is legally enforceable against, Seller in accordance with its terms and, to the Knowledge of Seller, is legally enforceable against the other parties thereto, subject, in each case, to the effect of any applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to the effect of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law); provided, however, that notwithstanding the preceding, the UPN Agreement is in full force and effect and constitutes the legal and binding obligation of, and is legally enforceable against, Seller in accordance with its terms and, to the Knowledge of Seller, is legally enforceable against UPN subject to the effect of any applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to the effect of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(f) Except as set forth in Section 3.15(f) of the Disclosure Schedule, Seller has made available to Purchaser prior to the date of this Agreement true and complete copies of all Transferred Contracts in effect as of the date hereof or has provided a summary of the material terms thereof if no true or complete copy is available, including all amendments, modifications and supplements thereto, and any assignments thereof.

(g) There are no leasing commissions or similar payments due, arising out of, resulting from or with respect to the Sears Tower Lease that are owed by Seller or any Affiliate thereof.

(h) Except as set forth in Section 3.15(h) of the Disclosure Schedule, Section 3.15(h) of the Disclosure Schedule sets forth schedules that include a list as of the date specified therein with respect to each Program Rights Agreement involving cash payments: (i) the estimated number of plays allowed under each such agreement; (ii) the estimated number of plays taken under each such agreement as of May 26, 2002; (iii) the start and end dates of each such agreement as of May 26, 2002; (iv) total payments made by May 26, 2002 under each such agreement and (v) total payments required to be made from and after May 26, 2002 under each such agreement.

(i) As of the date hereof, no party to any material Transferred Contract has (x) made or asserted in writing, any defense, setoff or counterclaim under such Transferred Contract; and (y) exercised any option granted to it to cancel or terminate any material Transferred Contract or to shorten the term thereof.

(j) Except for the DeVaney Contract and except as set forth in Sections 3.11(a) or 3.15(j) of the Disclosure Schedule, there are no Contracts involving employment by Seller or the Station of any Employee or consultant that are not terminable at will without Liability.

SECTION 3.16 Brokers. Except for Goldman, Sachs & Co., no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement and the Ancillary Agreements based upon arrangements made by or on behalf of Seller. Seller is solely responsible for the fees and expenses of Goldman, Sachs & Co.

SECTION 3.17 Transactions with Affiliates. Except as set forth in Section 3.17 to the Disclosure Schedule, since the date of the Current Balance Sheet, no shareholder, officer, director or employee of the Seller or any of its Affiliates, or any immediate family member of any of the foregoing, has (a) borrowed money from, or loaned money to, the Seller which remains outstanding, (b) any contractual or other claim, express or implied, of any kind whatsoever against the Seller that relates to the Business, the Station or the Broadcasting Assets, (c) any interest in any of the Broadcasting Assets, or (d) engaged in any other transaction with the Seller relating to the Business, the Station or Broadcasting Assets other than in such Person's capacity as an owner, employee, officer or director of the Seller.

SECTION 3.18 Environmental Matters.

(a) With respect to the Business, the Seller is in compliance with, and has no liability under the Environmental Laws, except where failure to comply or such Liability would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

(b) Seller has obtained permits, authorizations, consents and approvals required under the Environmental Laws to carry on the Business as currently conducted, except where the failure to obtain such permits, authorizations, consents and approvals would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect. A true and correct list of all permits, consents, authorizations and approvals required under the Environmental Laws to carry on the Business of the Station, as currently conducted, is set forth in Section 3.18(b) of the Disclosure Schedule.

(c) There has been no Release at, on, under or from the Station such that Seller may be liable for Remediation, except where such Liability would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

(d) Seller has not arranged, by Contract or otherwise for the transportation, treatment, or disposal of Hazardous Materials such that Seller or the Station is or may be liable for Remediation, except where such liability would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

(e) Except as disclosed in Section 3.18(e) of the Disclosure Schedule, no asbestos, polychlorinated biphenols or underground storage tanks are present, none of the foregoing have been present during the Seller's ownership of the Broadcasting Assets and operation of the Station, and to the Knowledge of Seller, none of the foregoing have been present at the Station, that individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

SECTION 3.19 Title to Broadcasting Assets; Liens. Seller owns, leases or has the legal right to use all of the material Broadcasting Assets, free and clear of any and all Liens, except Permitted Liens. At the Closing, all of the Broadcasting Assets shall be transferred to Purchaser free and clear of any and all Liens, except Permitted Liens.

SECTION 3.20 EXCLUSIVITY OF REPRESENTATIONS. The representations and warranties of Seller set forth in this Article III are the only representations and warranties made by Seller with respect to Seller, the Business and the Broadcasting Assets. Except as specifically set forth herein, Seller is selling

the Broadcasting Assets to Purchaser "as is" and "where is" and with all faults. SELLER SPECIFICALLY DISCLAIMS ANY WARRANTY REGARDING THE PROFITABILITY OF THE BUSINESS. FURTHERMORE, EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT, SELLER MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER RELATING TO SELLER, THE BUSINESS OR THE BROADCASTING ASSETS, INCLUDING THE CONDITION OF THE BROADCASTING ASSETS, THEIR MERCHANTABILITY OR THEIR FITNESS FOR ANY PARTICULAR PURPOSE.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser represents and warrants to Seller as follows:

SECTION 4.01 Incorporation and Authority of Purchaser.

Purchaser is a corporation duly incorporated, validly existing and in good standing under the laws of Delaware and has all necessary corporate power and authority to enter into this Agreement and each Ancillary Agreement, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and each Ancillary Agreement by Purchaser, the performance by Purchaser of its obligations hereunder and thereunder and the consummation by Purchaser of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of Purchaser. This Agreement has been, and at the Closing each Ancillary Agreement executed and delivered by Purchaser will be, duly executed and delivered by Purchaser, and (assuming due authorization, execution and delivery by Seller or the Lease Affiliate, as applicable) this Agreement constitutes, and at the Closing each Ancillary Agreement executed and delivered by Purchaser will constitute, the legal, valid and binding obligation of Purchaser enforceable against Purchaser in accordance with its terms, subject to the effect of any applicable bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance or similar Laws affecting creditors' rights generally and subject, as to enforceability, to the effect of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

SECTION 4.02 No Conflict. Assuming all consents, approvals, authorizations and other actions described in Section 4.03 have been obtained, and except as may result from any facts or circumstances solely relating to Seller, the execution, delivery and performance of this Agreement and the Ancillary Agreements by Purchaser do not and will not (a) violate or conflict with the

Certificate of Incorporation or By-laws of Purchaser, (b) conflict with or violate any Law or Governmental Order applicable to Purchaser or any of its Affiliates or (c) result in any breach of, or constitute a default (or event which with the giving of notice or lapse of time, or both, would become a default) under, or give to any Person any rights of termination, amendment, acceleration or cancellation of, or result in the creation of any Lien (other than a Permitted Lien) on any of the assets or properties of Purchaser pursuant to, any Contract to which Purchaser or any of its Affiliates is a party or by which any of such assets or properties is subject, except in the case of clauses (b) and (c) above, for any such conflicts, violations, breaches, defaults, rights or Liens as would not, individually or in the aggregate, prevent or materially impair the ability of Purchaser to consummate the transactions contemplated by this Agreement and the Ancillary Agreements.

SECTION 4.03 Consents and Approvals. The execution and delivery of this Agreement and the Ancillary Agreements by Purchaser do not, and the performance of this Agreement and the Ancillary Agreements by Purchaser will not, require any consent, approval, authorization or other action by, or filing with or notification to, any Governmental Authority, except (a) the notification requirements of the HSR Act, (b) the FCC, (c) where failure to obtain any such consent, approval, authorization or action, or to make any such filing or notification would not, individually or in the aggregate, prevent or materially impair the ability of Purchaser to consummate the transactions contemplated by this Agreement and the Ancillary Agreements or (d) as may be necessary as a result of any facts or circumstances relating solely to Seller or its Affiliates.

SECTION 4.04 Absence of Litigation. There are no actions pending or, to the knowledge of Purchaser, threatened against Purchaser or any of its Affiliates or any of the assets or properties of Purchaser or any of its Affiliates that, individually or in the aggregate, would, or would be reasonably expected to, prevent or materially impair the ability of Purchaser to consummate the transactions contemplated by this Agreement and the Ancillary Agreements.

SECTION 4.05 Qualifications of Purchaser.

(a) Purchaser is legally, financially and otherwise qualified to be the assignee of the FCC Licenses and no waivers shall be required by the FCC for the consummation of the transactions contemplated hereby or the grant of the FCC Consent.

(b) To the knowledge of Purchaser, Purchaser or any Affiliate of Purchaser shall not be required to sell, dispose of or surrender any FCC license held by Purchaser or any such Affiliate with respect to any broadcast properties, or any other properties or businesses of Purchaser or such Affiliate, under the Communications Act in order to consummate the sale and purchase of the Broadcasting Assets contemplated by this Agreement and the Ancillary Agreements.

SECTION 4.06 Financial Ability.

(a) As of the date hereof, Purchaser has, and on the Closing Date Purchaser shall have, cash available that is sufficient to enable it to consummate the transactions contemplated by this Agreement and the Ancillary Agreements.

(b) As of the date hereof, Purchaser has, and on the Closing Date Purchaser shall have, a net worth of at least \$1,157,625,000; provided, however, that if the Closing Date shall occur on or after January 1, 2003, Purchaser shall have a net worth of at least \$1,215,506,250.

SECTION 4.07 Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement and the Ancillary Agreements based upon arrangements made by or on behalf of Purchaser.

ARTICLE V

ADDITIONAL AGREEMENTS

SECTION 5.01 Conduct of Business Prior to the Closing.

(a) Unless Purchaser otherwise agrees in writing beforehand and except as otherwise set forth in Section 5.01 of the Disclosure Schedule, between the date of this Agreement and the Closing Date, Seller will (i) conduct the Business in the ordinary course consistent with past practices, (ii) use commercially reasonable efforts to preserve the goodwill of the Business and its relationships with customers, suppliers, and key Employees of the Business and others with significant and recurring business dealings with the Station; provided that in the case of key Employees of the Business, Seller shall not be required to increase the compensation of, or provide any other retention incentive to, any such key Employee beyond that currently provided, (iii) use commercially reasonable efforts to maintain all insurance policies and all governmental licenses, permits and authorizations (including the FCC Licenses) that are necessary for the Seller to occupy the Sears Tower Premises or carry on the Business in all material respects in the manner conducted by the Seller as of the date hereof or as contemplated under the Sears Tower Lease, (iv) maintain the books of account and records of the Business in the usual, regular and ordinary manner and consistent with past practices, (v) maintain all material items of tangible personal property included in the Broadcasting Assets constituting transmitting and studio equipment in reasonably good condition and repair, ordinary wear and tear excepted, and maintain such equipment in such condition and otherwise in accordance with standards of good

engineering practice in the television broadcasting industry and (vi) comply in all material respects with the UPN Agreement.

(b) Except as expressly provided in this Agreement or Section 5.01 of the Disclosure Schedule, between the date of this Agreement and the Closing Date, Seller will not do any of the following without the prior written consent of Purchaser, provided, however, that such consent shall not be unreasonably withheld, conditioned or delayed except with respect to Sections 5.01(b)(i)-(iii) below (as to which the foregoing proviso shall not apply):

(i) acquire, sell, assign, lease or otherwise transfer or dispose of any Broadcasting Assets, other than in the ordinary course of business;

(ii) create, assume or permit to exist (if not permitting such Lien to exist is within Seller's control) any Lien (other than Permitted Liens) affecting any of the material Broadcasting Assets;

(iii) acquire (by merger, consolidation or acquisition of stock or assets) any corporation, partnership or other business organization or division thereof or any equity interest therein which would, or whose assets and/or Liabilities would, be included in the Broadcasting Assets or Assumed Liabilities;

(iv) other than capital expenditures set forth in Section 5.01(b)(iv) of the Disclosure Schedule, authorize any new capital expenditure or expenditures affecting any of the Broadcasting Assets which, individually, is in excess of \$100,000 or, in the aggregate, are in excess of \$300,000;

(v) acquire or enter into any additional Transferred Contracts, except in the ordinary course of business consistent with past practices; provided, however, under no circumstance shall the Seller acquire or enter into (A) any Program Rights Agreement (or any renewal or extension of any existing Program Rights Agreement) (I) with time period commitments, (II) requiring payments in excess of \$250,000 with respect to any individual Program Rights Agreement (after giving effect to any extensions or renewals) or under all such Program Rights Agreements (after giving effect to any extensions or renewals) in the aggregate of more than \$1,000,000 or (III) with a term of six (6) months or more (with respect to extensions and renewals of any existing Program Rights Agreement, the term thereof may not be extended or renewed to a date that is more than six (6) months after the Closing); (B) any other Transferred Contract (I) requiring payments or receipts in excess of \$50,000 with respect to any individual Transferred Contract or under all such Transferred Contracts in the

aggregate of more than \$300,000 or (II) with a term of six (6) months or more; (C) any Trade-out Agreement or Paid Programming agreement (other than any agreement relating to Paid Programming having a term of three (3) months or less and which does not require that Paid Programming be aired between 9:00 a.m. and 1:00 a.m.); (D) any broadcast time sales agreement except in the ordinary course of business and consistent with past practices and which are for cash at prevailing rates for a term not exceeding three (3) months; and (E) any time brokerage agreement, local marketing agreement, or network affiliation agreement for the Station;

(vi) not change, amend, terminate or otherwise modify or agree or commit to change, amend, terminate or otherwise modify any material Transferred Contract in any material respect;

(vii) other than as set forth in Section 5.01(b)(vii) of the Disclosure Schedule, (A) adopt any new employee benefit plan, or amend any existing employee benefit plan, covering any of the Affected Employees to increase benefits thereunder, except as may be required by applicable Law, (B) increase any compensation, except for normal increases in the ordinary course of business consistent with past practice paid, to any of the Affected Employees, (C) enter into or amend any employment, severance, termination or similar agreement with any of the Affected Employees, or (D) hire any Person; provided that if Purchaser reasonably withholds its consent in accordance with the terms of this Section 5.01(b)(vii), Seller may hire a Person, but all Liabilities associated with hiring such Person shall be Excluded Liabilities.

(viii) assume, guarantee, endorse or otherwise become liable or responsible (whether directly, contingently or otherwise) for the Liabilities of any other Person which may be binding on or affect the Broadcasting Assets or Purchaser on or after the Closing;

(ix) cause or permit, by any act or failure to act, any of the material FCC Licenses or other material permits of Seller relating to the Station to expire or to be revoked, suspended or modified, or take, or fail to take, any action that would be reasonably likely to cause the FCC or any other Governmental Authority to institute proceedings for the suspension, revocation or adverse modification of any of such material FCC Licenses or such other material permits of Seller relating to the Station;

(x) renew, extend, amend, alter, modify, replace, terminate, transfer, assign or otherwise change: (A) the Blair Agreement, except for extensions allowing Purchaser to terminate the Blair Agreement on thirty (30) days notice as long as no other terms or conditions

of the Blair Agreement are amended or modified that would bind Purchaser after the Closing; (B) the UPN Agreement; or (C) the Sears Tower Lease;

(xi) utilize the Program Rights other than in the ordinary course of the Business and consistent with past practice; or

(xii) commit, authorize or enter into an agreement to do any of the foregoing.

(c) Prior to Closing, Purchaser shall not, directly or indirectly, control, supervise, direct, or attempt to control, supervise, or direct the operations of the Station; and such operations, including complete control and supervision of all of the Station's programs, employees, and finances, shall be the sole responsibility of Seller until the Closing.

SECTION 5.02 Access to Information.

(a) From the date hereof until the Closing (upon reasonable notice to Seller), during normal business hours, Seller shall, and shall cause its officers, directors, employees, auditors and agents to, (i) afford the officers, employees and authorized agents and representatives of Purchaser reasonable access to the employees, auditors and to the offices, properties, books and records of Seller to the extent related to the Business, and (ii) furnish to the officers, employees and authorized agents and representatives of Purchaser such additional financial and operating data and other information regarding the assets, properties, salary and benefit information regarding Employees, but excluding personnel files, and goodwill of the Business as Purchaser may from time to time reasonably request in order to assist Purchaser in fulfilling its obligations under this Agreement and to facilitate the consummation of the transfer contemplated hereby; provided, however, that such investigation shall not unreasonably interfere with any of the businesses or operations of Seller or any Affiliate of Seller and any access to Employees shall be scheduled through an Employee of the Business designated by Seller.

(b) Seller shall have the right to retain copies of all books and records of Seller relating to the Business which relate to periods ending on or prior to the Closing Date. For a period of seven years after the Closing, Purchaser shall (i) retain the books and records of Seller relating to the Business which relate to periods ending on or prior to the Closing Date in a manner reasonably consistent with the prior practice of Seller, and (ii) upon reasonable notice, afford the officers, employees and authorized agents and representatives of Seller reasonable access (including the right to make, at Seller's expense, photocopies), during normal business hours, to such books and records.

(c) Each party agrees that it will cooperate with and make available to the other party, during normal business hours, all books and records,

information and employees (without substantial disruption of employment) retained and remaining in existence after the Closing Date that are necessary or useful in connection with any litigation or investigation or any other matter requiring any such books and records, information or employees for any reasonable business purpose similar to the foregoing. The party requesting any such books and records, information or employees shall bear all of the out-of-pocket costs and expenses (including attorneys' fees, but excluding reimbursement for salaries and employee benefits) reasonably incurred in connection with providing such books and records, information or employees.

(d) Within twenty (20) days after the end of each month following the date of this Agreement until the earlier of the termination of this Agreement in accordance with its terms and the Closing Date, Seller will furnish Purchaser with a copy of the monthly unaudited financial reports for the Station (including balance sheet and income and cash flow statements) for each such month and the fiscal year to the end of such month) and will furnish to Purchaser within ten (10) days after filing all reports filed with the FCC with respect to the Station that are filed between the date of this Agreement and the Closing Date. All of the foregoing financial statements shall comply with the requirements concerning unaudited Financial Statements set forth in Section 3.04.

SECTION 5.03 Confidentiality. The terms of the letter agreement dated April 22, 2002 (the "Confidentiality Agreement") between Seller and Purchaser are hereby incorporated herein by reference and shall continue in full force and effect until the Closing, at which time such Confidentiality Agreement and the obligations of Purchaser under this Section 5.03 shall terminate; provided, however, that the Confidentiality Agreement shall terminate only in respect of that portion of the Evaluation Material (as defined in the Confidentiality Agreement) exclusively relating to the transactions contemplated by this Agreement, and the Business. If this Agreement is, for any reason, terminated prior to the Closing, the Confidentiality Agreement shall nonetheless continue in full force and effect.

SECTION 5.04 Regulatory and Other Authorizations; Consents.

(a) Each party hereto agrees to make an appropriate filing of a notification and report form pursuant to the HSR Act with respect to the transactions contemplated hereby within ten (10) Business Days after the date hereof. Purchaser and Seller will each be responsible for paying one-half of the fees incurred by Seller and Purchaser in connection with the HSR Act filings and any other similar filings required in any other jurisdiction.

(b) No later than one (1) Business Day after the date hereof, Seller and Purchaser shall jointly cause to be filed by Seller's FCC counsel one or more applications with the FCC requesting its consent to the assignment of

the FCC Licenses from Seller to Purchaser (the "FCC Consents"), which applications are attached hereto at Exhibit E (the "Assignment Applications"). Each party shall pay its own expenses in connection with the preparation and prosecution of the Assignment Applications and shall equally share any filing fees associated with the Assignment Applications.

(c) Upon the terms and subject to the conditions set forth in this Agreement, Seller and Purchaser shall each use their respective commercially reasonable efforts to promptly (i) take, or to cause to be taken, all actions, and to do, or to cause to be done, and to assist and cooperate with the other parties in doing all things reasonably necessary, proper or advisable under applicable Law or otherwise to consummate and make effective the transactions contemplated by this Agreement and the Ancillary Agreements; (ii) obtain from any Governmental Authority or third parties any actions, non-actions, clearances, waivers, consents, approvals, authorizations, permits or orders required to be obtained by Seller, Purchaser or any of their respective Affiliates in connection with the authorization, execution, delivery and performance of this Agreement and the Ancillary Agreements, the consummation of the other transactions contemplated hereby and thereby and the assignment of the FCC Licenses from Seller to Purchaser; (iii) furnish all information required for any application or other filing to be made pursuant to any applicable Law or any applicable regulations of any Governmental Authority in connection with the transactions contemplated by this Agreement and the Ancillary Agreements, including filings in connection with the HSR Act and the Assignment Applications, and to supply promptly any additional information and documentary material that may be requested in connection with such filings or applications; (iv) oppose any petitions to deny or other similar objections filed with respect to any Assignment Applications; (v) notify the other of any notice or communications from any Governmental Authority in connection with the transactions contemplated by this Agreement; and (vi) execute and deliver any additional instruments necessary to assign the FCC Licenses from Seller to Purchaser or to consummate any other transactions contemplated by this Agreement and the Ancillary Agreements; provided that notwithstanding anything to the contrary contained in this Agreement or otherwise, neither Purchaser nor any of Purchaser's Affiliates shall be required to sell or otherwise dispose of, hold separate (through the establishment of a trust or otherwise), divest itself of, or limit the ownership or operations of all or any portion of Purchaser's or Purchaser's Affiliates' businesses, assets or operations. Neither the parties nor any of their Affiliates shall take any intentional action or fail to take any action, which such action or failure to take such action would reasonably be expected to have the effect of materially delaying the receipt of the FCC Consent or causing the FCC not to grant the FCC Consent without imposing conditions which are materially adverse to Purchaser, Fox Entertainment Group, Inc. or the Station.

(d) Notwithstanding anything in this Agreement to the contrary, if the Closing occurs before the FCC Consents become Final Orders, the

terms of Section 5.04(c) (and the qualifications and limitations therein) shall survive the Closing until the FCC Consents become Final Orders; provided, however, that such terms shall only survive as applied to actions relating to the obtaining of the FCC Consents and such FCC Consents becoming Final Orders. No assignment of the FCC Licenses shall occur prior to obtaining the FCC Consents.

SECTION 5.05 Employee Matters.

(a) At least ten (10) Business Days prior to Closing, Seller will provide Purchaser with a true and complete list of all Employees, including each such Employee's position, title, original date of hire, current rate of compensation, amount of bonus paid during the prior three (3) calendar years, employment status (i.e., active, disabled, on authorized leave), whether such Employee is full or part time and the amount of any unused vacation leave. Prior to the Closing, Purchaser shall offer to employ each Employee, other than Employees listed in Section 5.05(a) of the Disclosure Schedule, on substantially the same terms and conditions for similarly situated employees of the Purchaser, such employment to be effective as of the time of the Closing. At the time of Closing, the employment of each Employee who has accepted Purchaser's offer of employment under its terms (each such Employee, an "Affected Employee") shall commence with and by Purchaser and shall terminate with and by Seller or any Affiliate of Seller.

(b) As of the time of Closing, Affected Employees shall cease to participate in the Plans (other than any employment, termination and severance agreements) and shall commence participation or shall become eligible to participate in the employee benefit plans of Purchaser or one of its Affiliates ("Purchaser Employee Plans") maintained after the Closing in the same manner as other similarly situated employees of Purchaser or its applicable Affiliate subject to such preconditions, restrictions or limitations as may apply with respect to each such employee benefit plan. Purchaser shall maintain for a period of at least one year after the Closing, such employee compensation, welfare and benefit plans, programs, policies and fringe benefits as will, in the aggregate, provide benefits to the Affected Employees that are no less favorable than those provided to similarly situated employees of Purchaser or its applicable Affiliate with respect to employee compensation, welfare and benefit plans, programs, policies and fringe benefits as in effect immediately prior to the Closing.

(c) Notwithstanding anything to the contrary in Section 5.05(b) hereof, Purchaser shall maintain without adverse amendment for a period of six (6) months after the Closing the severance policy of Purchaser set forth on Section 5.05(c) of the Disclosure Schedule with respect to Affected Employees whose employment with Purchaser is terminated by Purchaser in accordance with that policy during such six (6) month period.

(d) Purchaser or its appropriate Affiliate shall give each Affected Employee full credit for purposes of eligibility, vesting, and determination of the level of benefits under each Purchaser Employee Plan for such Affected Employee's service with Seller or any of its Affiliates but only to the same extent credit is practicable and consistent with the terms of the applicable Purchaser Employee Plan exclusive of any defined benefit plan maintained by Purchaser. Purchaser shall credit Affected Employees with vacation days earned and accrued after January 1, 2002 and not used prior to the Closing Date and permit Affected Employees to take such vacation days with pay (which shall not require cash payments other than in accordance with and to the extent required by the policies of Purchaser) in accordance with the policies of Purchaser as in effect on the Closing Date, subject to any modifications that Purchaser may make thereafter for all of Purchaser's similarly situated employees.

(e) Purchaser or the appropriate Affiliate shall (i) waive all limitations as to preexisting conditions exclusions and waiting periods with respect to participation and coverage requirements applicable to each Affected Employee under any Purchaser Employee Plan that provides medical benefits, other than limitations or waiting periods that are already in effect with respect to such Affected Employee and that have not been satisfied as of the Closing under any Plan maintained for the Affected Employee immediately prior to the Closing and (ii) provide each Affected Employee with credit for any co-payments and deductibles paid prior to the Closing in satisfying any applicable deductible or out-of-pocket requirements under any Purchaser Employee Plan.

(f) Effective as of the Closing all Affected Employees shall cease participation in Seller's Newsweb Corporation Employee Savings Plan ("Seller's 401(k) Plan"). As soon as practicable following the Closing, Purchaser shall designate, or establish, a savings plan, qualified under Sections 401(a) and 401(k) of the Code, and a trust thereunder that is exempt from tax under Section 501(a) of the Code ("Purchaser's 401(k) Plan"), and shall allow all Affected Employees previously eligible to participate in Seller's 401(k) Plan to participate in Purchaser's 401(k) Plan on the same terms and conditions as apply to other similarly situated employees of Purchaser. Purchaser shall cause Purchaser's 401(k) Plan to accept rollover contributions in cash from the Affected Employees of any account balances distributed to them by the Seller from Seller's 401(k) Plan provided such plans have a valid IRS favorable determination letter. The distribution and rollover described herein shall comply with applicable law, and each party shall make all filings and take any actions required of such party by applicable law in connection therewith.

(g) Nothing in this Section 5.05 is intended to guarantee employment for any Employee for any particular length of time after the Closing Date. No employee (or beneficiary of any employee) of Seller may sue to enforce

the terms of this Agreement, including specifically this Section 5.05, and no such Employee or beneficiary shall be treated as a third party beneficiary of this Agreement. Except to the extent provided for herein, Purchaser may cover the Affected Employees under existing or new benefit plans, programs, and arrangements, and may amend or terminate any such plans, programs, or arrangements at any time.

(h) Seller agrees to pay and be responsible for all liability, cost, expense and sanctions resulting from any failure to comply with the Worker Adjustment and Retraining Notification Act ("WARN") and the regulations thereunder, for any "mass layoffs" or "plant closings" (as defined under WARN), by Seller prior to the Closing.

(i) At Closing, Seller shall pay to each Affected Employee an amount equal to any earned salaries, incentive pay, sales commissions or sales bonuses with respect to such Affected Employee that relates to any period prior to the Closing Date.

SECTION 5.06 Tax Matters.

(a) All sales, use, transfer gains, transfer, conveyance, filing, recording, ad valorem and other similar Taxes which may be payable in connection with the transactions contemplated by this Agreement and the Ancillary Agreements shall be shared equally by Purchaser and Seller. Purchaser shall prepare and file, or cause to be prepared and filed, all Tax Returns and other documentation required with respect to such Taxes and, if required by applicable Law, Seller shall join in the execution of any such Tax Returns and other documentation as reasonably requested by Purchaser.

(b) All state and local real and personal property Taxes and assessments ("Property Taxes") imposed by any Governmental Authority with respect to the Broadcasting Assets that are due and payable with respect to a taxable period beginning before the Closing Date and ending on or after the Closing Date (a "Straddle Period") (taking into account whether such Property Taxes are payable in advance or in arrears) shall be apportioned between Seller and Purchaser based on the number of days beginning with the first day of the Straddle Period through the Closing Date (the "Pre-Closing Period"), and the number of days beginning with the Closing Date through the last day of the Straddle Period (the "Post-Closing Period"). In performing such apportionment, all Property Taxes shall be prorated on the assumption that an equal amount of Property Tax applies to each day of the Straddle Period, regardless of how installment payments are billed or made. Seller shall be liable for all Property Taxes apportioned to the Pre-Closing Period. Purchaser shall be liable for all Property Taxes apportioned to the Post-Closing Period. After the Closing, Purchaser will provide Seller with a copy of any final Property Tax bill covering a Straddle Period.

(c) Purchaser may assign its rights, but not its obligations, under this Agreement to a qualified intermediary or exchange accommodation titleholder (as defined in the regulations promulgated pursuant to Code section 1031 and in Revenue Procedure 2000-37). In the event that Purchaser does assign its rights under this Agreement to such a qualified intermediary or exchange accommodation titleholder, Seller shall (as directed by Purchaser) transfer the Broadcasting Assets, or a portion of the Broadcasting Assets, to such qualified intermediary or exchange accommodation titleholder, subject to the terms of this Agreement. Seller agrees to cooperate reasonably with Purchaser's efforts to qualify the transaction contemplated by this Agreement as part of a like-kind exchange under Code section 1031 and substantially similar provisions of state and local law and regulations promulgated thereunder, and in furtherance thereof, Seller agrees to execute all documents and take (or permit) all actions reasonably necessary to effect such like-kind exchange; provided that Purchaser may not assign its rights under this Section 5.06(c) if the effect of such assignment would be to materially delay the Closing of the transactions contemplated by this Agreement.

SECTION 5.07 Assignment of Contracts, Leases, Approvals,
Etc.

(a) The Seller shall use commercially reasonable efforts to obtain any and all third party consents under all Transferred Contracts. Anything in this Agreement to the contrary notwithstanding, this Agreement shall not constitute an agreement to assign any Contract or permit or any claim, right or benefit arising thereunder or resulting therefrom if an attempted assignment thereof, without the consent of a third party thereto, would constitute a breach or other contravention thereof or be ineffective with respect to any party thereto.

(b) With respect to any Contract or permit and any claim, right or benefit arising thereunder or resulting therefrom which would otherwise be included as a Broadcasting Asset, following the Closing, Seller and Purchaser will use reasonable good faith efforts to transfer the economic benefit and any corresponding Liabilities under such Contract (but in no event any Excluded Liability) and to obtain, or cause to be obtained, as expeditiously as possible the written consent of the other parties to such Contract or permit for the assignment or, if required, novation thereof to Purchaser or, alternatively, written confirmation from such parties reasonably satisfactory in form and substance to Purchaser and Seller that such consent is not required. In no event, however, shall Seller be obligated to pay any money to any Person or to offer or grant other financial or other accommodations to any Person in connection with obtaining any consent, waiver, confirmation, novation or approval with respect to any Contract or permit.

(c) The failure by Purchaser or Seller to obtain any required consent, waiver, confirmation, novation or approval with respect to any

Contract or permit shall not relieve any party from its obligation to consummate the transactions contemplated by this Agreement.

(d) If any consent, waiver, confirmation, novation or approval is not obtained with respect to any Contract or permit, then Seller and Purchaser will cooperate to establish an agency type or other similar arrangement reasonably satisfactory to Purchaser and Seller under which Purchaser would obtain, to the extent practicable, the claims, rights and benefits and assume any corresponding Liabilities (but in no event any Excluded Liabilities) thereunder in accordance with this Agreement (including by means of any subcontracting, sublicensing or subleasing arrangement) or under which Seller would enforce for the benefit of Purchaser, with Purchaser assuming and agreeing to pay Seller's obligations and expenses, any and all claims, rights and benefits of Seller against a third party to any such Contract or permit. In such event (i) Seller will promptly pay to Purchaser when received all moneys relating to the period on or after the Closing Date received by Seller under any contract or any claim, right or benefit arising thereunder not transferred pursuant to this Section 5.07 and (ii) Purchaser will promptly pay, perform or discharge when due any Liability (but in no event any Excluded Liability) arising thereunder on or after the Closing Date but not transferred to Purchaser pursuant to this Section 5.07.

(e) Seller will use commercially reasonable efforts to obtain an estoppel certificate from the landlord under the Sears Tower Lease dated no earlier than thirty (30) days prior to Closing in the form set forth in Section 18 of the Sears Tower Lease.

SECTION 5.08 Public Announcements. Seller and Purchaser shall consult with each other and will mutually agree upon any press release or public announcement pertaining to the transactions contemplated by this Agreement and shall not issue any such press release or make any such public announcement prior to such consultation and agreement, except as may be required by applicable Law, the FCC, the Securities and Exchange Commission, any other Governmental Authority or any applicable stock exchange, in which case the party proposing to issue such press release or make such public announcement shall consult in good faith with the other party before issuing any such press release or making any such public announcement.

SECTION 5.09 Lease Agreement. At the Closing, (a) the existing lease for the Studio shall terminate and shall no longer have any force and effect and (b) if Purchaser notifies Seller no later than 60 days from the date hereof that it has elected to utilize the Studio following the Closing (the "Lease Election"), an Affiliate of Seller (the "Lease Affiliate") and Purchaser shall enter into a lease agreement relating to the Studio (the "Lease Agreement"), substantially in the form attached hereto as Exhibit F.

SECTION 5.10 Call Sign. At the Closing, Seller and Purchaser shall enter into a call sign agreement relating to the use of the call sign "WPWR" (the "Call Sign Agreement"), substantially in the form attached hereto as Exhibit G.

SECTION 5.11 Mixed Use Agreements.

(a) With respect to any Mixed Use Agreement, Seller and Purchaser will use reasonable good faith efforts to enter into, or cause to be entered into, such agreements with the other parties to such Mixed Use Agreement necessary for Seller to assign to Purchaser and for Purchaser to assume from Seller only those rights and obligations used in, or relating to, the Business. To the extent such agreements are entered into, whether prior or subsequent to Closing, such rights shall be deemed to become "Broadcasting Assets" and such obligations shall be deemed to become "Assumed Liabilities". It is agreed and understood by the parties that, in no event shall Seller be obligated to pay any money to any Person or to offer or grant other financial or other accommodations to any Person in connection with entering into any agreement with respect to any Mixed Use Agreement.

(b) If an agreement is not entered into with respect to the assignment to, and the assumption by, Purchaser of those rights and obligations under any Mixed Use Agreement that are used in, or relating to, the Business, then Seller and Purchaser will cooperate to establish an agency type or other similar arrangement reasonably satisfactory to Purchaser and Seller under which Purchaser would obtain, to the extent practicable, the claims, rights and benefits used in, or relating to, the Business and assume the corresponding Liabilities under such Mixed Use Agreement (including by means of any subcontracting, sublicensing or subleasing arrangement) or under which Seller would enforce for the benefit of Purchaser, with Purchaser assuming and agreeing to pay with respect to such Mixed Use Agreement Seller's obligations and expenses, any and all claims, rights and benefits of Seller which relate to the operation of the Business by Purchaser on or after the Closing Date under such Mixed Use Agreement (other than any Liabilities under any such agreement relating to the period prior to the Closing Date). In such event (i) Seller will promptly pay to Purchaser when received all moneys relating to the period on or after the Closing Date received by it which are used in, or relate to, the Business arising under any Mixed Use Agreement not transferred to Purchaser pursuant to this Agreement and (ii) Purchaser will promptly pay, perform or discharge when due any Liabilities relating to the operation of the Business on or after the Closing Date, under any Mixed Use Agreement not transferred to Purchaser pursuant to this Agreement.

SECTION 5.12 Sears Tower Lease Reimbursements.
Purchaser understands and agrees that any payments made to Purchaser or any of its Affiliates after the Closing Date pursuant to the terms of Section 2(b) of the Sears Tower Lease (the "Sears Tower Reimbursements") shall be for the account of Seller

and shall be promptly (and in no event later than three (3) Business Days after receipt by Purchaser or its Affiliate) remitted to Seller by wire transfer in immediately available funds to an account or accounts designated by Seller in a written notice to Purchaser.

SECTION 5.13 Further Action. For a period of three (3) years from and after the Closing Date, each of the parties hereto shall execute and deliver such documents and other papers and take such further actions as may be reasonably required to carry out the provisions of this Agreement and the Ancillary Agreements and give effect to the transactions contemplated hereby and thereby.

SECTION 5.14 Right to Set-off. Neither Purchaser nor Seller nor each of their respective Affiliates shall be entitled to set-off against any amounts to be paid by the other party pursuant to this Agreement any amounts owing to the other party or any of its Affiliates.

SECTION 5.15 Investigation. Each party acknowledges and agrees that (i) none of the other party nor the other party's directors, officers, employees, agents, stockholders, Affiliates, consultants, counsel, accountants, investment bankers or representatives makes any representation or warranty, either express or implied, as to the accuracy or completeness of any of the information provided or made available by it to the other party or its agents or representatives (other than the representations and warranties contained in this Agreement and the Ancillary Agreements and rights to indemnification in connection therewith) and (ii) each party will not assert any claim (whether in contract or tort, under federal or state securities laws or otherwise) against the other party or the other party's directors, officers, employees, agents, stockholders, Affiliates, consultants, counsel, accountants, investment bankers or representatives, or hold any such Persons liable for any inaccuracies, misstatements or omissions with respect to information (other than the representations and warranties contained in this Agreement and the Ancillary Agreements and rights to indemnification in connection therewith) furnished by the other party or any such Persons concerning such other party; provided the foregoing shall not preclude any party from seeking any remedy for fraud or fraudulent misrepresentation.

SECTION 5.16 Bulk Transfer Laws. Purchaser hereby waives compliance by Seller with any applicable bulk sale or bulk transfer Laws of any jurisdiction in connection with the sale of the Broadcasting Assets to Purchaser (other than any obligations with respect to the application of the proceeds herefrom).

SECTION 5.17 Notice of Adverse Changes. Seller shall, without limiting Purchaser's rights to rely on the representations and warranties made to Purchaser by Seller in this Agreement or any certificate delivered pursuant to this Agreement, and without limiting Purchaser's rights and remedies hereunder, promptly notify the Purchaser, and provide copies, of:

(a) any Action commenced or, to knowledge of Seller, threatened against the Business, including any Action that involves any of the FCC Licenses, that if pending on the date of this Agreement, would have been required to have been disclosed pursuant to Section 3.06 or that relates to the consummation of the transactions contemplated by this Agreement;

(b) any material labor grievance, controversy, organizing attempts, strike, or dispute affecting the Business;

(c) any damage to or malfunction of any broadcasting or other equipment that results in the disruption of broadcasting by the Station in any portion of its DMA for any period of time;

(d) any material correspondence with cable systems and satellite carriers concerning must carry status, retransmission consent and other material matters arising under the Cable Act and the Satellite Home Viewer Improvement Act of 1999 relating to Station, and any material developments in all negotiations with cable systems and satellite carriers concerning such matters;

(e) any material correspondence in connection with the UPN Agreement or the Blair Agreement; and

(f) any other fact or development with respect to the Business that would be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

SECTION 5.18 Tower Construction Projects. Seller shall use commercially reasonable efforts to complete and pay for the Tower Construction Projects by the Closing and otherwise in accordance in all material respects with any specifications and/or requirements set forth in any Tower Permit, the Pending Application or any application for a Tower Permit (to the extent granted). Seller shall keep Purchaser advised of the status of, and any material developments relating to, the Tower Construction Projects.

SECTION 5.19 Blair Expenses. In the event that the Closing occurs after December 31, 2002, and prior to such date, Seller renews the Blair Agreement in accordance with Section 5.01(b)(x), Seller shall pay and indemnify, defend and hold Purchaser harmless against any payment for commissions on net billings for Advertising Time (as defined in the Blair Agreement) sold prior to termination of the Blair Agreement in accordance with its terms and aired after such termination; provided, that Purchaser shall not amend, modify or otherwise change the Blair Agreement after Closing in any manner that would increase Seller's liability under this Section 5.19 from that which would have resulted from the Blair Agreement in the form existing as of Closing.

SECTION 5.20 Additional Matters. Section 5.20 of the Disclosure Schedule is hereby incorporated by reference.

ARTICLE VI

CONDITIONS TO CLOSING

SECTION 6.01 Conditions to Obligations of Seller. The obligations of Seller to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or waiver, at or prior to the Closing, of each of the following conditions:

(a) Representations and Warranties. Each of the representations and warranties of Purchaser contained in this Agreement shall have been true and correct as of the date hereof and shall be true and correct as of the Closing Date, with the same force and effect as if made as of the Closing Date, other than such representations and warranties as are made as of another date, which shall be true and correct as of such date, except, in each case, where the failure to be so true and correct (without giving effect to any limitation as to "materiality" or "material adverse effect" set forth therein) would not materially delay or prevent the consummation of the transactions contemplated hereby, and Seller shall have received a certificate from Purchaser to such effect signed by a duly authorized officer thereof.

(b) Covenants. The covenants and agreements contained in this Agreement to be complied with by Purchaser on or before the Closing shall have been complied with in all material respects, and Seller shall have received a certificate from Purchaser to such effect signed by a duly authorized officer thereof.

(c) FCC Consents. The FCC Consents shall have been granted (it being agreed and understood that Seller's obligations to consummate the transactions contemplated by this Agreement shall not be subject to the condition that the FCC Consents be Final Orders).

(d) HSR Act. Any waiting period (and any extension thereof) under the HSR Act applicable to the purchase of the Broadcasting Assets contemplated hereby shall have expired or shall have been terminated.

(e) No Governmental Order. There shall be no Governmental Order in existence which expressly prohibits or materially restrains the transactions contemplated by this Agreement.

(f) Resolutions. Seller shall have received a true and complete copy, certified by the Secretary or an Assistant Secretary of Purchaser, of

the resolutions duly and validly adopted by the Board of Directors of Purchaser evidencing its authorization of the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.

(g) Call Sign Agreement. Purchaser shall have executed and delivered to Seller the Call Sign Agreement.

SECTION 6.02 Conditions to Obligations of Purchaser. The obligations of Purchaser to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or waiver, at or prior to the Closing, of each of the following conditions:

(a) Representations and Warranties. Each of the representations and warranties of Seller contained in this Agreement shall have been true and correct as of the date hereof and shall be true and correct as of the Closing Date, with the same force and effect as if made as of the Closing Date, other than such representations and warranties as are made as of another date, which shall be true and correct as of such date, except, in each case, where the failure to be so true and correct (without giving effect to any limitation as to "materiality" or "Material Adverse Effect" set forth therein) would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect, and Purchaser shall have received a certificate from Seller to such effect signed by a duly authorized officer thereof.

(b) Covenants. The covenants and agreements contained in this Agreement to be complied with by Seller on or before the Closing shall have been complied with in all material respects, and Purchaser shall have received a certificate from Seller to such effect signed by a duly authorized officer thereof.

(c) FCC Consents. The FCC Consents shall have been granted without any conditions materially adverse to Purchaser, Fox Entertainment Group, Inc. or the Station (it being agreed and understood that Purchaser's obligations to consummate the transactions contemplated by this Agreement shall not be subject to the condition that the FCC Consents be Final Orders).

(d) HSR Act. Any waiting period (and any extension thereof) under the HSR Act applicable to the purchase of the Broadcasting Assets contemplated hereby shall have expired or shall have been terminated.

(e) No Governmental Order. There shall be no Governmental Order in existence which expressly prohibits or materially restrains the transactions contemplated by this Agreement.

(f) Resolutions. Purchaser shall have received a true and complete copy, certified by the Secretary or an Assistant Secretary of Seller, of the

resolutions duly and validly adopted by the Board of Directors of Seller evidencing its authorization of the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.

(g) Lease Agreement. If Purchaser has made the Lease Election no later than 60 days from the date hereof, the Lease Affiliate shall have executed and delivered to Purchaser the Lease Agreement.

(h) Foundation. The name of the Foundation shall have been changed so that any references to "Channel 50" and "WPWR" are removed.

(i) No Material Adverse Effect. After the date hereof, there shall not have occurred any change or development that would be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

ARTICLE VII

TERMINATION, AMENDMENT AND WAIVER

SECTION 7.01 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by the mutual written consent of Seller and Purchaser;

(b) by Seller, if Purchaser (i) breaches or fails to perform or comply with any of its covenants or agreements contained herein, or (ii) breaches its representations or warranties, in each case such that the condition set forth in Section 6.01(a) or Section 6.01(b) would not be satisfied (a "Terminating Purchaser Breach"); provided that, if the Terminating Purchaser Breach is curable by Purchaser through the exercise of its best efforts within a period of thirty (30) days, and Purchaser continues to exercise such best efforts, Seller may not terminate this Agreement under this Section 7.01(b) for a thirty (30) period after it provides written notice of such breach to Purchaser; and, provided further, that if such Terminating Purchaser Breach is not cured at the end of such thirty (30) day period but it is reasonably likely that such Terminating Purchaser Breach is curable by the end of an additional thirty (30) day period through the exercise by Purchaser of its best efforts, then Seller may not terminate this Agreement for an additional thirty (30) day period so long as Purchaser continues to exercise its best efforts to cure such breach;

(c) by Purchaser, if Seller (i) breaches or fails to perform or comply with any of its covenants or agreements contained herein, or (ii) breaches its representations or warranties, in each case such that the condition set forth in Section 6.02(a) or Section 6.02(b) would not be satisfied (a "Terminating Seller Breach"); provided that, if the Terminating Seller Breach is curable by Seller through

the exercise of its best efforts within a period of thirty (30) days, and Seller continues to exercise such best efforts, Purchaser may not terminate this Agreement under this Section 7.01(c) for a thirty (30) day period after it provides written notice of such breach to Seller; and, provided further, that if such Terminating Seller Breach is not cured at the end of such thirty (30) day period but it is reasonably likely that such Terminating Seller Breach is curable by the end of an additional thirty (30) day period through the exercise by Seller of its best efforts, then Purchaser may not terminate this Agreement for an additional thirty (30) day period so long as Seller continues to exercise its best efforts to cure such breach;

(d) by Seller or Purchaser, if the Closing shall not have occurred prior to one (1) year from the date hereof;

(e) by Seller or Purchaser, in the event of the issuance of a Governmental Order restraining, enjoining or otherwise prohibiting the transactions contemplated herein and such Governmental Order having been made final and non-appealable; or

(f) by Seller or Purchaser, if the FCC has denied the Assignment Applications.

Notwithstanding the foregoing, the rights to terminate this Agreement under this Section 7.01 shall not be available to any party whose failure to fulfill any obligation under this Agreement shall have been the cause of, or shall have resulted in, the failure giving rise to the relevant termination right.

SECTION 7.02 Effect of Termination. In the event of the termination of this Agreement as provided in Section 7.01, this Agreement shall forthwith become void and there shall be no liability on the part of any party hereto, except as set forth in Sections 5.03 and 8.02; provided, however, that nothing herein shall relieve either Seller or Purchaser from liability for any willful breach of this Agreement or willful failure to perform hereunder.

SECTION 7.03 Waiver. At any time prior to the Closing, any party may (a) extend the time for the performance of any of the obligations or other acts of any other party hereto, (b) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto or (c) waive compliance with any of the agreements or conditions contained herein. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by the party to be bound thereby. The waiver by any party hereto of a breach of any term or provision of the Agreement shall not be construed as a waiver of any subsequent breach.

ARTICLE VIII

GENERAL PROVISIONS

SECTION 8.01 Survival; Indemnification.

(a) Survival. The representations and warranties of Seller and Purchaser contained in this Agreement and any Ancillary Agreement shall survive the Closing for a period of eighteen (18) months. The covenants and agreements of Seller and Purchaser contained in this Agreement and any Ancillary Agreement shall survive the Closing, for a period of eighteen (18) months after the Closing and except to the extent such covenants and agreements by their terms contemplate or may involve actions to be taken or obligations in effect after the Closing which covenants and agreements shall survive in accordance with their terms. Notwithstanding anything herein to the contrary, any representation, warranty, covenant, or agreement which is the subject of a claim which is asserted in writing after the Closing Date within the survival periods specified in this Section 8.01(a) shall survive with respect to such claim or dispute until the final resolution thereof.

(b) Indemnification by Seller. Subject to the conditions and provisions of Section 8.01(d), from and after the Closing Date, Seller hereby agrees to indemnify, defend and hold harmless Purchaser and Purchaser's Affiliates, and their respective officers, directors and employees (the "Purchaser Indemnified Parties"), from and against any and all Losses, incurred by any Purchaser Indemnified Party, directly or indirectly, by reason of or resulting from: (i) any failure by Seller to pay, perform or discharge any Excluded Liabilities; (ii) any breach of the representations and warranties of Seller contained in or made pursuant to this Agreement or any Ancillary Agreement (without giving effect to any limitation as to "materiality" or "Material Adverse Effect" set forth therein); or (iii) any breach by Seller of any covenant or agreement of Seller contained in or made pursuant to this Agreement or any Ancillary Agreement.

(c) Indemnification by Purchaser. Subject to the conditions and provisions of Section 8.01(d), from and after the Closing Date, Purchaser hereby agrees to indemnify, defend and hold harmless Seller and Seller's Affiliates, and their respective officers, directors and employees, (the "Seller Indemnified Parties") from and against any and all Losses incurred by any Seller Indemnified Party, directly or indirectly, by reason of or resulting from: (i) any failure by Purchaser to pay, perform or discharge any Assumed Liabilities; (ii) any breach of the representations and warranties of Purchaser contained in or made pursuant to this Agreement or any Ancillary Agreement (without giving effect to any limitation as to "materiality" or "Material Adverse Effect" set forth therein); or

(iii) any breach by Purchaser of any covenant or agreement of Purchaser contained in or made pursuant to this Agreement or any Ancillary Agreement.

(d) Limitations on Indemnification; Losses.

Notwithstanding any other provision of this Agreement to the contrary, (i) neither party hereto shall be liable to the other party in respect of any indemnification hereunder pursuant to Section 8.01(b)(ii) or Section 8.01(c)(ii) except to the extent that the aggregate amount of Losses of the party seeking indemnification (the "Indemnified Party") from the other party (the "Indemnifying Party") under this Agreement exceeds Two Million Dollars (\$2,000,000) (the "Basket Amount"), but when the amount of all Losses exceeds the Basket Amount, the Indemnified Party shall be entitled to be indemnified for all such Losses, including the Basket Amount; (ii) no Losses shall be claimed under Section 8.01(b)(ii) or Section 8.01(c)(ii) by an Indemnified Party or shall be included in calculating the aggregate Losses for purposes of clause (i) of this paragraph other than Losses individually in excess of \$25,000; and (iii) the maximum liability of any party for indemnification pursuant to Section 8.01(b)(ii) or Section 8.01(c)(ii) shall be Forty-Two Million Five Hundred Thousand Dollars (\$42,500,000). Notwithstanding anything herein to the contrary, the limitations of this Section 8.01(d) shall not apply to any breach of or inaccuracy in the representations and warranties of Seller contained in Section 3.19 or any certificate delivered by Seller hereunder concerning such representations and warranties of Seller.

(e) Adjustment for Insurance. The amount that an Indemnifying Party is required to pay to, for or on behalf of any Indemnified Party pursuant to this Section 8.01 shall be adjusted (including retroactively) by any insurance proceeds, or indemnity, contribution or similar payment, actually received by any Indemnified Party in reduction of the related indemnifiable loss after reduction for any costs or expenses incurred in connection with collecting such proceeds or payments (which the Indemnified Party will use commercially reasonable efforts to collect) therewith (the "Indemnifiable Loss"). Amounts required to be paid, as so reduced, are hereinafter sometimes called an "Indemnity Payment." If an Indemnified Party shall have received or shall have had paid on its behalf an Indemnity Payment in respect of an Indemnifiable Loss and shall subsequently actually receive insurance proceeds, or indemnity, contribution or similar payment in respect of such Indemnifiable Loss, then the Indemnified Party shall pay to the Indemnifying Party the amount of such insurance proceeds or payments (after reduction for any costs or expenses incurred in collecting such proceeds and payments) or, if lesser, the amount of the Indemnity Payment.

(f) Escrow. In the event that Purchaser or any Purchaser Indemnified Party has a right to indemnification, Purchaser may send a notice to the Escrow Agent stating that Purchaser has a right to receive payment from the Escrow Funds ("Escrow Payment Notice"). The Escrow Agent shall pay to Purchaser the

amount designated in such Escrow Payment Notice to the extent required under the terms of the Escrow Agreement. Any payments required to be made to Purchaser or Purchaser's designee pursuant to this Section 8.01(f) shall be made in accordance with the terms of the Escrow Agreement by wire transfer of immediately available funds for credit to the recipient, at a bank account designated by the recipient in writing. The amount of the Escrow Funds, if any, remaining with the Escrow Agent on the date that is eighteen (18) months after the Closing Date shall be paid to Seller in accordance with the Escrow Agreement by the Escrow Agent by wire transfer of immediately available funds for credit to the recipient, at a bank account designated by the recipient in writing; provided, however, that if an Escrow Payment Notice is sent prior to the date that is eighteen (18) months after the Closing Date, and Purchaser has not received payment from the Escrow Funds pursuant to all such Escrow Payment Notices, then the Escrow Funds payable at such time to Seller shall be reduced by the amount set forth in all such Escrow Payment Notices. Notwithstanding anything to the contrary contained herein, Purchaser and Seller acknowledge and agree that the Escrow Funds shall be the sole source of funding for any claims for indemnification under Section 8.01(b)(ii) until all of such Escrow Funds have been released.

(g) Notification of Claims.

(i) The Indemnified Party shall promptly notify the Indemnifying Party in writing of any claim or demand which the Indemnified Party has determined has given or could give rise to a right of indemnification under this Agreement; provided, however, that a failure to give prompt notice or to include any specified information in any notice will not affect the rights or obligations of any party hereunder except and only to the extent that, as a result of such failure, any party which was entitled to receive such notice was actually prejudiced as a result of such failure. Subject to the Indemnifying Party's right to defend in good faith third party claims as hereinafter provided, the Indemnifying Party shall satisfy its obligations under Section 8.01(b) or 8.01(c) within thirty (30) days after the receipt of written notice thereof from the Indemnified Party.

(ii) If the Indemnified Party shall notify the Indemnifying Party of any claim or demand pursuant to Section 8.01(f)(i), and if such claim or demand relates to a claim or demand asserted by a third party against the Indemnified Party, the Indemnifying Party shall have the right to employ counsel reasonably acceptable to the Indemnified Party to assume the defense of any claim or demand asserted against the Indemnified Party. The Indemnified Party shall have the right to participate in the defense of any such claim or demand at its own expense. The parties shall make available to the party responsible for defending against such claim or demand or its counsel all records and other material in such parties possession

reasonably required for use in contesting any such claim or demand and shall cooperate fully in the defense against such claim or demand. In the event the Indemnifying Party elects not to defend such claim or demand, the Indemnified Party shall defend against such claim or demand in any manner as it may reasonably deem appropriate at the sole cost and expense of the Indemnified Party and the Indemnifying Party shall have the right to participate in such defense at its own expense. The Indemnified Party shall not settle or compromise any claim or demand as to which the Indemnifying Party has assumed the defense or paid the defense without the consent of the Indemnifying Party, which consent may not be unreasonably withheld.

(h) After the Closing, the indemnification expressly provided in this Section 8.01 shall be the sole and exclusive remedy for any breach of the representations and warranties in this Agreement by any of the parties, other than with respect to any claim based on fraud or fraudulent misrepresentation.

(i) Notwithstanding any other provision in the Agreement, as to any claims by an Indemnified Party, Losses of a party shall not include, and no party shall be entitled to be indemnified or to make any claim for, any indirect or consequential damages.

SECTION 8.02 Expenses. Except as may be otherwise specified herein, all costs and expenses, including fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses, whether or not the Closing shall have occurred.

SECTION 8.03 Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, by facsimile (followed by delivery of a copy via overnight courier service) to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 8.03):

(a) if to Seller:

Newsweb Corporation
1645 West Fullerton Avenue
Chicago, Illinois 60614
Attention: Charles Frank Gross
Telecopier: (773) 975-1301

with a copy to:

Skadden, Arps, Slate, Meagher & Flom (Illinois)
333 West Wacker Drive
Chicago, Illinois 60606
Attention: Rodd M. Schreiber, Esq.
Telecopier: (312) 407-0411

(b) if to Purchaser:

Fox Television Stations, Inc.
1999 South Bundy Drive
Los Angeles, California 90025
Attention: Gerald D. Friedman and Elisabeth J. Swanson
Telecopier: (310) 584-3355

with a copy to:

The News Corporation Limited
c/o News America Incorporated
1211 Avenue of the Americas
New York, New York 10036
Attention: Arthur Siskind, Esq.
Telecopier: (212) 768-2026

and

Hogan & Hartson L.L.P.
551 Fifth Avenue
New York, New York 10176
Attention: Ira Sheinfeld, Esq.
Telecopier: (212) 697-6686

SECTION 8.04 Headings. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

SECTION 8.05 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any Law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in

good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

SECTION 8.06 Entire Agreement. This Agreement, the Ancillary Agreements, the Disclosure Schedule and the Confidentiality Agreement constitute the entire agreement of the parties hereto with respect to the subject matter hereof and supersede all prior agreements and undertakings, both written and oral, between Seller and Purchaser with respect to the subject matter hereof.

SECTION 8.07 Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto (whether by operation of law or otherwise) without the prior written consent of the other party; provided, however, Purchaser may, without the prior written consent of Seller, assign or transfer any or all of its rights but not its obligations under this Agreement to any of Purchaser's Affiliates or in accordance with Section 5.06(c). Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of and be enforceable by the parties and their respective permitted successors and assigns.

SECTION 8.08 No Third-Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

SECTION 8.09 Amendment. This Agreement may not be amended or modified except by an instrument in writing signed by Seller and Purchaser.

SECTION 8.10 Specific Performance. The parties hereto agree that irreparable damage would occur in the event any provision of this Agreement was not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy at law or equity, without the necessity of demonstrating the inadequacy of money damages.

SECTION 8.11 Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of New York applicable to contracts to be made and performed entirely therein without giving effect to the principles of conflicts of law thereof or of any other jurisdiction.

SECTION 8.12 Waiver of Jury Trial. SELLER AND PURCHASER HEREBY IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY

JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED IN CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF SELLER OR PURCHASER IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT THEREOF.

SECTION 8.13 Counterparts. This Agreement may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by telecopier shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 8.14 No Presumption. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting or causing any instrument to be drafted.

IN WITNESS WHEREOF, Seller and Purchaser have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

NEWSWEB CORPORATION

By: /s/ Newsweb Corporation

Name: Charles Gross

Title: Chief Operating Officer

FOX TELEVISION STATIONS, INC.

By: /s/ Fox Television Stations, Inc.

Name: Lawrence A. Jacobs

Title: Executive Vice President

And Secretary