
ASSET EXCHANGE AGREEMENT

dated as of March 22, 2002

by and among

OREGON TELEVISION, INC.,

FOX TELEVISION STATIONS, INC.

AND

MEREDITH CORPORATION

TABLE OF CONTENTS

	<u>Page</u>
Article I DEFINITIONS.....	1
1.1 Definitions.....	1
1.2 Additional Defined Terms.....	18
1.3 Terms Generally.....	20
Article II EXCHANGE OF ASSETS.....	20
2.1 Exchange of Assets.	20
2.2 Assumption of Liabilities.	20
2.3 Closing.	22
2.4 Allocation of Fair Market Value.	22
2.5 Working Capital Adjustment.	23
2.6 Consents of Third Parties.	26
Article III REPRESENTATIONS AND WARRANTIES OF FOX.....	27
3.1 Incorporation.	27
3.2 Authorization; Enforceability.....	27
3.3 Governmental Authorizations.	27
3.4 No Conflicts.	27
3.5 Fox Material Contracts.....	28
3.6 Intangible Property.....	30
3.7 Title to Fox Exchanged Assets; Liens.....	31
3.8 Real Property.....	31
3.9 Condition of Fox Equipment.....	32
3.10 Fox Exchanged Assets.	32
3.11 Financial Statements.	33
3.12 No Changes.	33
3.13 No Litigation; Labor Disputes; Compliance with Laws.	34
3.14 Environmental Matters.....	34
3.15 FCC Matters; Operation and Condition of the Fox Station	35
3.16 Brokers.	36
3.17 Employees.	36
3.18 Fox Employee Benefit Plans.....	36
3.19 Cable Matters.	37
3.20 FCC Qualification.	38
3.21 Taxes.	38
3.22 Exclusivity of Representations.....	38
Article IV REPRESENTATIONS AND WARRANTIES OF MEREDITH.....	39
4.1 Incorporation.	39
4.2 Authorization; Enforceability.....	39
4.3 Governmental Authorizations.....	39
4.4 No Conflicts.	39

TABLE OF CONTENTS
(Continued)

4.5	Meredith Material Contracts.	40
4.6	Intangible Property.	42
4.7	Title to Meredith Exchanged Assets; Liens.	43
4.8	Real Property.	43
4.9	Condition of Meredith Equipment.	44
4.10	Meredith Exchanged Assets.	44
4.11	Financial Statements.	45
4.12	No Changes.	45
4.13	No Litigation; Labor Disputes; Compliance with Laws.	46
4.14	Environmental Matters.	46
4.15	FCC Matters; Operation and Condition of the Meredith Stations.	47
4.16	Brokers.	48
4.17	Employees.	48
4.18	Meredith Employee Benefit Plans.	48
4.19	Cable Matters.	49
4.20	FCC Qualification.	49
4.21	Taxes.	50
4.22	Exclusivity of Representations.	50
Article V COVENANTS OF FOX.		51
5.1	Operations Pending Closing.	51
5.2	Access.	53
5.3	Title Insurance and Surveys.	54
5.4	Financial and FCC Reports.	55
5.5	Public Notice of Fox FCC Licenses Assignments.	55
5.6	Employees.	55
5.7	Fox Cooperation/KPDX Affiliation/KPTV Affiliation.	55
Article VI COVENANTS OF MEREDITH.		55
6.1	Operations Pending Closing.	55
6.2	Access.	58
6.3	Title Insurance and Surveys.	59
6.4	Financial and FCC Reports.	59
6.5	Public Notice of Meredith FCC Licenses Assignments.	60
6.6	Employees.	60
Article VII COVENANTS OF FOX AND MEREDITH.		60
7.1	Efforts; HSR Filings.	60
7.2	FCC Consent.	61
7.3	Control Prior to and Post-Closing.	62
7.4	Certain Filings; Further Actions.	62
7.5	Public Announcement.	62
7.6	Insurance.	62
7.7	Notice of Adverse Changes.	63
Article VIII CONDITIONS TO CLOSING.		64
8.1	Conditions to Obligations of Fox and Meredith.	64

TABLE OF CONTENTS
(Continued)

8.2	Conditions to Obligations of Meredith.	64
8.3	Conditions to Obligations of Fox.	65
Article IX INDEMNIFICATION.....		66
9.1	Indemnification by Fox.	66
9.2	Indemnification by Meredith.....	67
9.3	Notification of Claims.....	69
9.4	No Consequential Damages.	69
9.5	Exclusive Remedies.	70
9.6	Commercially Reasonable Efforts.	70
Article X FURTHER AGREEMENTS.....		70
10.1	Taxes.	70
10.2	Meredith Employee Benefit Matters.....	70
10.3	Fox Employee Benefit Matters.	73
10.4	Bulk Transfer.....	77
10.5	Non-Solicitation by Meredith.....	77
10.6	Non-Solicitation by Fox.	77
Article XI TERMINATION; MISCELLANEOUS		78
11.1	Termination.	78
11.2	Further Assurances.....	79
11.3	Schedules.....	80
11.4	Survival.	80
11.5	Entire Agreements; Amendments; and Waivers.....	80
11.6	Expenses.....	81
11.7	Benefit; Assignment.....	81
11.8	No Presumption.....	81
11.9	Notices.....	81
11.10	Counterparts; Headings.	82
11.11	Severability.....	82
11.12	No Reliance.....	82
11.13	Governing Law.....	82
11.14	Submission to Jurisdiction; Waivers.	83
11.15	Waiver of Jury Trial.	83
11.16	Specific Performance.	83
11.17	Consents.	83
11.18	Confidentiality.....	83

ASSET EXCHANGE AGREEMENT

ASSET EXCHANGE AGREEMENT, dated as of March 22, 2002, by and among Oregon Television, Inc., an Oregon corporation ("Fox Oregon"), Fox Television Stations, Inc., a Delaware corporation ("FTS"), and Meredith Corporation, an Iowa corporation ("Meredith"). Capitalized terms used in this Agreement but not defined when used are defined in Article I.

W I T N E S S E T H:

WHEREAS, Meredith is the owner of (i) television stations WOFL(TV), Channel 35, and WOFL-DT, Channel 22, in Orlando, Florida (collectively, "WOFL") and (ii) television stations WOGX(TV), Channel 51, and WOGX-DT, Channel 31, in Ocala, Florida (collectively "WOGX") (together with WOFL, the "Meredith Stations"), under licenses issued by the Federal Communications Commission ("FCC");

WHEREAS, Fox Oregon and FTS together operate and own all of the assets and licenses used in the operation of television stations KPTV(TV), Channel 12, and KPTV-DT, Channel 30, in Portland, Oregon, and television translator stations K44AH, Prineville, Oregon, K50DN, Prineville/Redmond, Oregon, K57CH, Sunriver, Oregon and K69AH, The Dalles, Oregon (collectively, the "Fox Station"), pursuant to a Stations Operating Agreement and a License Assignment Agreement, each dated as of July 31, 2001 (the "Fox Station Operating Agreement" and the "Fox Station License Assignment Agreement," respectively); and

WHEREAS, Meredith and Fox desire to exchange all of the Meredith Exchanged Assets and Meredith Assumed Liabilities (which relate to the Meredith Stations) for the Fox Exchanged Assets and the Fox Assumed Liabilities (which relate to the Fox Station) as a like-kind exchange under Section 1031 of the Internal Revenue Code of 1986, as amended (the "Code"), and upon the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, the parties hereto hereby agree as follows:

Article I DEFINITIONS

1.1 *Definitions.* When used in this Agreement, the following terms shall have the meanings specified:

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

"Affiliate" shall mean, with respect to a specified Person, a Person that directly, or indirectly through one or more intermediaries, Controls, is Controlled by or is under common Control with the specified Person; provided, however, that for purposes of this definition: (i) Affiliates of Meredith shall be limited to Meredith and the Affiliates of Meredith that are Controlled by Meredith; and (ii) Affiliates of Fox shall be limited to TNCL and any of TNCL's Affiliates that are Controlled by TNCL.

“Agreement” shall mean this Asset Exchange Agreement, together with the Schedules and the Exhibits attached hereto, as the same may be amended, modified or supplemented from time to time in accordance with the terms hereof.

“Antitrust Laws” shall mean the Sherman Act, as amended, the Clayton Act, as amended, the HSR Act, the Federal Trade Commission Act, as amended, and all other federal, state and foreign, if any, Laws that are designed or intended to prohibit, restrict or regulate actions having the purpose or effect of monopolization or restraint of trade or lessening of competition through merger or acquisition.

“BHC Special Severance Plan” shall mean the BHC Communications, Inc. Special Severance Plan.

“Business Day” shall mean any day on which the principal offices of the Securities and Exchange Commission in Washington D.C. are open to accept filings, or, in the case of determining a date when payment is due, any day on which banks are not required or authorized to close in New York City.

“CERCLA” shall mean the Comprehensive Environmental Response, Compensation, Liability Act of 1980, as amended, and the regulations thereunder, as in effect from time to time.

“Chris-Craft” shall mean Chris-Craft Industries, Inc., a Delaware corporation.

“Chris-Craft Closing” shall mean the closing on August 31, 2001 of the transactions contemplated by the separate Agreements and Plans of Merger, each dated as of August 13, 2000, by and among: (i) Chris-Craft, TNCL, News Publishing Australia Limited (“NPAL”) and Fox Television Holdings, Inc. (“FTH”); (ii) BHC Communications, Inc., TNCL, NPAL and FTH; and (iii) Fox/UTV Holdings, Inc., TNCL, NPAL and FTH.

“Closing” shall mean the closing of the transactions contemplated by this Agreement, which shall be held at 10:00 a.m., local time, at the offices of Hogan & Hartson L.L.P., 551 Fifth Avenue, New York, New York 10176, as soon as possible, but in no event later than the five Business Days after the satisfaction or waiver of the conditions set forth in Article VIII hereof (other than those requiring the delivery of a certificate or other document or the taking of other action at the Closing), or at such other time or place as Meredith and FTS may mutually agree.

“Closing Date” shall mean the date on which the Closing is consummated.

“Communications Act” shall mean, collectively, the Communications Act of 1934, as amended, and the rules and regulations promulgated thereunder, all as in effect from time to time.

“Control” (including the terms “Controlling,” “Controlled by” and “under Common Control with”) shall mean, the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

“Effective Time” shall mean: (a) with respect to the Meredith Stations, 12:01 a.m., Orlando, Florida time, on the Closing Date; and (b) with respect to the Fox Station, 12:01 a.m., Portland, Oregon time, on the Closing Date.

“Environmental Claim” shall mean any and all administrative, regulatory or judicial actions, orders, decrees, suits, demands, demand letters, directives, claims, Liens, investigations, proceedings or notices of noncompliance or violation (written or oral) by any Person, alleging potential liability (including potential responsibility or liability for enforcement, investigatory costs, cleanup costs, response costs, removal costs, remedial costs, natural resources damages, property damages, personal injuries or penalties) arising out of, based on or resulting from the operation of the Fox Station or the Meredith Stations, as the case may be, and relating to or arising from: (a) the presence, Release or threatened Release of any Hazardous Material at any location at which Hazardous Materials from the Fox Station’s or the Meredith Stations’, as the case may be, operations are, or are alleged to be, present, whether or not such location is currently owned, operated, leased or managed by the Fox Station or the Meredith Stations, as the case may be; (b) any violation or alleged violation of any Environmental Law; or (c) any and all claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief resulting from the presence, Release or threatened Release of any Hazardous Materials.

“Environmental Laws” shall mean any applicable statute, treaty, enactment, ordinance, rule, regulation, decision, judgment, decree, permit or license, whether local, state, territorial or national: (a) relating to Releases or threatened Releases of Hazardous Materials into the indoor or outdoor environment; (b) relating to the use, treatment, storage, disposal, handling, manufacturing or shipment of Hazardous Material; (c) relating to the regulation of storage tanks; or (d) otherwise relating to pollution or protection of human health and the indoor or outdoor environment.

“Environmental Permit” shall mean all permits, licenses, registrations, approvals and other authorizations by any Governmental Authority required under Environmental Laws and relating to the conduct of the Fox Station’s or the Meredith Stations’, as the case may be, operations and businesses.

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended.

“FCC Consent” shall mean the FCC’s grant of its consent to: (i) the assignment of the Fox FCC Licenses from FTS to Meredith; and (ii) the assignment of the Meredith FCC Licenses from Meredith to FTS, as contemplated by the Meredith Stations Operating Agreement and the Meredith Stations License Assignment Agreement.

“Final Order” shall mean action by the FCC (including action duly taken by the FCC’s staff, pursuant to delegated authority) that has not been vacated, reversed, stayed, enjoined, set aside, annulled or suspended, with respect to which no timely request for stay, petition for rehearing, reconsideration, review, appeal or certiorari or sua sponte action of the FCC with comparable effect is pending and as to which the time for filing any such request, petition, appeal, certiorari or for the taking of any such sua sponte action by the FCC has expired.

“Financing Lease” shall mean any Meredith Contract or Fox Contract that is properly characterized as a capitalized lease obligation in accordance with GAAP.

“Fox” shall mean, as the context requires, Fox Oregon and/or FTS.

“Fox Accounts Receivable” shall mean all accounts receivable, including accounts receivable relating to Fox Tradeout Agreements and film and program barter agreements (except to the extent set forth in Section 2.5(f)), and all rights to receive payments under any notes, bonds and other evidences of indebtedness, and all other rights to receive payments, in each case arising out of sales occurring in the conduct of the Fox Business prior to the Effective Time for services performed or delivered by the Fox Business prior to the Effective Time and, in each case, valued net of any reserves established in respect thereof in accordance with GAAP.

“Fox Assumed Liabilities” shall mean: (a) the current liabilities of Fox related to the Fox Station as of the Effective Time, but only to the extent set forth on the Fox Final Net Working Capital Statements delivered pursuant to Section 2.5; (b) the liabilities and obligations with respect to the Fox Contracts and Fox Permits arising from and accruing exclusively with respect to the period after the Effective Time; and (c) the liabilities and obligations that are expressly assumed by Meredith in Section 10.3; provided, however, that the Fox Assumed Liabilities shall not include: (i) any liability or obligation under or with respect to any Fox Contract or Fox Permit required by the terms thereof to be discharged on or prior to the Effective Time; (ii) any liability or obligation for which Fox has already received the partial or full benefit of the asset to which such liability or obligation relates, but only to the extent of such benefit received; (iii) any liability or obligation for borrowed money; (iv) any liability for Taxes of Fox; (v) any liability or obligation with respect to the BHC Special Severance Plan relating to stock options only; (vi) any liability or obligation under any sales representation agreement relating to the Fox Station, including any sales commissions payable with regard to advertising sold prior to the Effective Time but aired or to be aired after the Effective Time; (vii) any liability or obligation under any litigation or other legal proceeding relating to the Fox Station to the extent arising from the operation of the Fox Station prior to the Closing; and (viii) any liability or obligation relating to or arising out of any of the Fox Retained Assets.

“Fox Assumption Agreement” shall mean an instrument pursuant to which the Meredith Assumed Liabilities are to be assumed by Fox, substantially in the form attached as Exhibit A hereto.

“Fox Bill of Sale and Assignment” shall mean an instrument pursuant to which Fox will convey to Meredith all of its right, title and interest in and to the Fox Exchanged Assets in accordance herewith, substantially in the form attached as Exhibit B hereto.

“Fox Business” shall mean, the operations and business of the Fox Station.

“Fox Contracts” shall mean those agreements (other than those included in the Fox Retained Assets) that relate to the Fox Business and to which Fox is a party or that are for the benefit of the Fox Station, whether written or oral, including the Fox Leases, Fox Paid Programming, all license agreements and all contractual obligations incurred by Fox for the Fox Program Rights, including those agreements listed on Schedule 3.5(h).

“Fox Copyrights” shall mean all copyrights, including copyright registrations and registration applications therefor, related to copyrightable subject matter proprietary to the Fox Station (other than those included in the Fox Retained Assets), including those registered copyrights and copyright applications identified on Schedule 3.6(e)(1).

“Fox Equipment” shall mean all machinery, equipment, towers, Fox Motor Vehicles, furniture, fixtures, furnishings, toolings, parts, blank films and tapes and other items of tangible personal property (other than those included in the Fox Retained Assets) owned or leased by Fox and used in the operation of the Fox Station, including those items listed on Schedule 1.1(a).

“Fox Exchanged Assets” shall mean all of the assets, properties and businesses (other than those included in the Fox Retained Assets), of every type and description, real, personal and mixed, tangible and intangible, that are owned, leased or licensed by Fox and are used or held for use in the conduct of the Fox Business, whether or not any of such assets, properties and businesses have any value for accounting purposes or are carried or reflected on or specifically referred to in Fox’s books or financial statements, including all right, title and interest of Fox in, to and under the following:

- (a) all Fox Real Property;
- (b) all Fox Equipment;
- (c) all Fox Accounts Receivable;
- (d) all prepaid expenses, including ad valorem taxes, leases and rentals;
- (e) all books of account, general, financial, tax (other than income tax) and personnel records (unless prohibited by Law), invoices, supplier lists, correspondence and other documents, records, files and papers (including all records required to be kept by the Fox Station by the FCC), in each case whether in hard copy or computer format, and all computer software and programs and any rights thereto;
- (f) all Fox Intangible Property;
- (g) all internet web sites and related agreements, content and databases, as and to the extent relating to the Fox Business, including those set forth on Schedule 1.1(b);
- (h) all claims, causes of action, choses in action, rights of recovery and rights of set-off of any kind (excluding rights to insurance proceeds but including rights under and pursuant to all warranties, representations and guarantees made by suppliers of products, materials or equipment, or components thereof);
- (i) all sales and promotional literature, customer lists and other sales-related materials;
- (j) all Fox Contracts;

(k) all prepayments under advertising sales contracts, including Fox Tradeout Agreements, for committed air time for advertising that has not been aired prior to the Effective Time;

(l) all transferable municipal, state and federal franchises, permits, licenses, agreements, waivers and authorizations, including any renewals thereof or any pending application therefor, including the Fox FCC Licenses (the “Fox Permits”);

(m) all management and other systems (including computers and peripheral equipment, databases, computer software, computer disks and similar assets, utilized in the operation of and related to the Fox Business and all licenses and rights relating thereto; and

(n) all current assets included in the Net Working Capital relating to the Fox Station, subject to adjustment as provided in Section 2.5 and other than that constituting the Final Excess Working Capital Amount, as applicable.

“Fox FCC Licenses” shall mean all licenses, permits and authorizations issued by the FCC for the operation of the Fox Station as currently operated, including those listed on Schedule 1.1(c).

“Fox Intangible Property” shall mean: (a) the Fox Copyrights; (b) the Fox Trademarks; (c) the Fox Trade Secrets; (d) all of the rights of Fox in and to the call letters “KPTV” and “KPTV-DT”; (e) all domain names related to the Fox Station registered by Fox or any Affiliates of Fox; (f) all goodwill, if any, associated with the foregoing; and (g) the “going concern” value of the Fox Station.

“Fox Interim Covenants” shall mean the covenants and agreements of Fox contained in Sections 5.1, 5.2(a), 5.3(a), 5.3(b), 5.4, 5.5, 5.6, 7.1, 7.2, 7.3, 7.4, 7.5 and 7.7.

“Fox Lease Assignment” shall mean one or more instruments pursuant to which all of Fox’s right, title and interest in and to the Fox Leases are to be assigned to Meredith, substantially in the form attached as Exhibit C hereto.

“Fox Leases” shall mean those leases or licenses of real property used or held for use in the conduct of the Fox Business as listed on Schedule 1.1(d).

“Fox Material Adverse Effect” shall mean a material adverse effect on: (a) the Fox Exchanged Assets, the Fox Assumed Liabilities, the Fox Business or the financial condition or results of operations of the Fox Business; provided, however, that any material adverse effect arising out of or resulting from: (i) an event or series of events or circumstances affecting the television broadcast industry generally; (ii) the ratings or performance of a television network of which the Fox Station is an affiliate; (iii) the execution, delivery and performance of and the consummation of the transactions contemplated by this Agreement; or (iv) changes in economic, regulatory or political conditions generally, in each case, shall not constitute a Fox Material Adverse Effect; or (b) the ability of Fox to perform its obligations under this Agreement or the other instruments and agreements contemplated hereby.

“Fox Motor Vehicles” shall mean all motor vehicles owned by Fox and used in the operation of the Fox Station, including those listed on Schedule 1.1(e).

“Fox Motor Vehicle Title Certificates” shall mean the official evidences of title to the Fox Motor Vehicles.

“Fox Paid Programming” shall mean all programming that the Fox Station is paid to broadcast and that requires longer than sixty (60) seconds continuous broadcasting time, including, without limitation, all infomercials, telethons and special interest or promotional broadcasts, including those listed on Schedule 1.1(f).

“Fox Permitted Liens” shall mean the following Liens: (a) Liens existing exclusively on Fox Retained Assets; (b) Liens existing at the Effective Time to remain on Fox Exchanged Assets as listed on Schedule 1.1(g); (c) Liens for Taxes, assessments or other governmental charges or levies not yet due; (d) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, materialman and other Liens imposed by law created in the ordinary course of the Fox Business and on a basis consistent with past practice for amounts that are not yet due and payable or are being contested in good faith; (e) Liens (other than any Lien imposed by ERISA) incurred or deposits made in the ordinary course of the Fox Business and on a basis consistent with past practice in connection with worker’s compensation, unemployment insurance or other types of social security; (f) minor defects of title, easements, rights-of-way, restrictions and other similar charges or encumbrances not materially detracting from the value of the Fox Real Property or interfering in any material respect with the ordinary conduct of the Fox Business; (g) Liens not created by Fox that affect the underlying fee interest of any Fox Real Property leased by Fox but do not materially interfere with the ordinary conduct of the Fox Business and will not materially interfere with the quiet enjoyment of such leased Fox Real Property during the term of such leased Fox Real Property; (h) Liens created by or through Meredith or any of its Affiliates; (i) any state of facts that an accurate survey would show, provided such facts do not materially interfere with the present use or materially detract from the value of the Fox Real Property; provided, however, that, all obligations secured by the Fox Permitted Liens described in items (c), (d) and (e) are Fox Retained Liabilities to the extent such obligations arise prior to the Effective Time and shall be paid and performed by Fox when due unless adjusted in favor of Meredith pursuant to Section 2.5.

“Fox Program Rights” shall mean all rights of Fox presently existing or obtained after the date of this Agreement and prior to the Effective Time in accordance with the terms of this Agreement to broadcast television programs or shows as part of the Fox Station’s programming, including all film and program barter agreements, sports rights agreements, syndication agreements and network affiliation agreements.

“Fox Real Property” shall mean the real property owned, leased, subleased or licensed by Fox, as listed in Schedule 1.1(h), and all buildings, improvements and fixtures thereon, together with all strips and gores, rights of way, easements, privileges and appurtenances pertaining thereto, including any right, title and interest of Fox in and to any street adjoining any portion of the Fox Real Property.

“Fox Retained Assets” shall mean: (a) cash and cash equivalents as of the Effective Time, including bank accounts, certificates of deposit and marketable securities; (b) intercompany accounts owing by and among Fox and TNCL or any Affiliate of TNCL, other than those that relate to Fox Contracts listed on Schedule 3.5(h) or are entered into after the date of this Agreement in accordance with Section 5.1(e) or otherwise as permitted under Section 5.1; (c) insurance policies relating to the Fox Business and all claims, credits, causes of action or rights thereunder; (d) the trade names, trademarks and service marks (and any trademark and service mark registrations and/or applications related thereto) set forth on Schedule 1.1(i)(1) (the “Fox Trademarks and Tradenames”); (e) the copyrights and copyright registrations and registration applications set forth on Schedule 1.1(i)(2); (f) any assets of any Fox Plan sponsored by Fox, other than assets of any Fox Plan that is sponsored by the Fox Station and expressly assumed by Meredith in Section 10.3; (g) all books, records, files and papers, whether in hard copy or computer format, prepared in connection with this Agreement or the transactions contemplated hereby and all minute books and corporate records of Fox and its Affiliates; (h) all claims, causes of action, choses in action, rights of recovery and rights of set-off of any kind (including rights under and pursuant to all warranties, representations and guarantees made by suppliers of products, materials or equipment, or components thereof) to the extent such claims, causes of action, choses in action, rights of recovery and rights of set-off relate to the Fox Retained Assets or the Fox Retained Liabilities; (i) all rights to insurance proceeds; (j) the contracts, property and assets of the Fox Station or for the Fox Station’s benefit that are described on Schedule 1.1(j) and any other contracts (other than any advertising sales contracts entered into in the ordinary course of business consistent with past practice) binding on the Fox Station that (x) as required by this Agreement, should have been, but were not, disclosed on the Schedules hereto as Fox Contracts to be included in the Fox Exchanged Assets (and Fox Assumed Liabilities), (y) are in effect on the date of this Agreement and either (A) involve payments or receipts by the Fox Station in the amount of \$100,000 or more individually or \$500,000 or more in the aggregate for all such undisclosed contracts or (B) involve the performance by the Fox Station of material non-monetary obligations and (z) are not cancelable on six (6) months’ notice or less without penalty or material payment, unless any such contracts are requested in writing to be and are assumed in writing by Meredith; (k) all claims for and rights to refunds or credits with respect to Taxes paid by Fox or any of its Affiliates relating to the conduct or operations of the Fox Station for all periods or portions thereof ending on or prior to the Effective Time or pursuant to Section 10.1 of this Agreement (including, in each case, any interest received from the relevant taxing authority); (l) all rights of Fox arising under this Agreement and the other instruments and agreements contemplated hereby; and (m) any and all right, title or interest in or to: (A) the names “News Corporation”, “News Corp” or “Fox” or any derivation thereof; and (B) any other trade names, trademarks and service marks owned, used or held for use by TNCL or its Affiliates, other than any such names and marks used pursuant to a license granted to Meredith in connection with the consummation of the transactions contemplated by this Agreement; and (n) all internet websites, domain names and trade secrets not related exclusively to the Fox Business.

“Fox Title Company” shall mean Chicago Title Insurance Company or such other title insurance company acceptable to Fox.

“Fox Trade Secrets” shall mean all proprietary information of Fox used in the operation of the Fox Station (other than those included in the Fox Retained Assets) that is not generally

known and is used or useful in a trade or business, as to which reasonable efforts have been made to prevent unauthorized disclosure and which provides a competitive advantage to those who know or use it.

“Fox Trademark Assignment” shall mean an instrument pursuant to which Fox assigns to Meredith all of its right, title and interest in and to the Fox Trademarks, substantially in the form attached as Exhibit D hereto.

“Fox Trademarks” shall mean all of those trade names, trademarks, service marks, jingles, slogans, logos, trademark and service mark registrations and registration applications (other than those included in the Fox Retained Assets) owned, used, held for use, licensed by or leased by Fox and related to the Fox Station set forth on Schedule 3.6(e)(2) and the goodwill appurtenant thereto (if any).

“Fox Tradeout Agreement” shall mean any contract, agreement or commitment of Fox, oral or written, other than film and program barter agreements, pursuant to which Fox has agreed to sell or trade commercial air time or commercial production services of the Fox Station in consideration for any property or service in lieu of or in addition to cash.

“Fox Warranty Deed” shall mean one or more deeds with covenants against matters arising by, through or under Fox (other than Fox Permitted Liens) in a form and substance reasonably acceptable to Meredith and the Meredith Title Company, pursuant to which the Fox Real Property owned by Fox shall be conveyed to Meredith at the Closing.

“GAAP” shall mean United States generally accepted accounting principles as in effect on the date of the Fox Base Balance Sheets and the Meredith Base Balance Sheets, consistently applied.

“Governmental Authority” shall mean any United States (federal, state or local) or any foreign government or governmental, regulatory or administrative authority, agency or other instrumentality thereof or any commission, court, tribunal or judicial or arbitral body.

“Hazardous Materials” shall mean wastes, chemicals, substances, constituents, pollutants or related material, whether solids, liquids, or gases, defined or regulated under § 101(14) of CERCLA; RCRA; the Toxic Substances Control Act, 15 U.S.C. §§ 2601 et seq.; the Safe Drinking Water Act, 42 U.S.C. §§ 300f et seq.; the Clean Air Act, as amended, 42 U.S.C. §§ 7401 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. §§ 1251 et seq.; the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. §§ 11001 et seq.; or any similar Environmental Laws, including polychlorinated biphenyls (PCBs), asbestos, toxic mold, radioactive materials and wastes and petroleum products (including crude oil and any fraction thereof).

“IRS” shall mean the United States Internal Revenue Service.

“Knowledge of Fox,” “to Fox’s Knowledge” or “Knowledge” when used in reference to Fox shall mean the actual knowledge of: (a) Mitch Stern, Chairman and Chief Executive Officer of FTS; (b) Tom Herwitz, President/Station Operations of FTS; (c) Betsy Swanson, Senior Vice President/Finance of FTS; and (d) Gerald D. Friedman, Senior Vice President/Legal Affairs of

FTS; in each case after reasonable investigation, which investigation shall include: (A) reviews of such documents as Fox in its reasonable judgment believes are reasonably appropriate; and (B) interviews with the following persons and such other persons as Fox in its reasonable judgment believes are reasonably appropriate: each of (i) the Chief Engineer of the Fox Station; and (ii) the Business Manager of the Fox Station.

“Knowledge of Meredith”, “to Meredith’s Knowledge” or “Knowledge” when used in reference to Meredith shall mean the actual knowledge of: (a) William T. Kerr, Chairman and Chief Executive Officer of Meredith; (b) Kevin O’Brien, President-Broadcasting Group of Meredith; (c) Douglas R. Lowe, Chief Financial Officer – Broadcasting Group of Meredith; (d) Suku V. Radia, Vice-President and Chief Financial Officer of Meredith; (e) John S. Zieser, Vice-President, General Counsel and Secretary of Meredith; in each case after reasonable investigation, which investigation shall include: (A) reviews of such documents as Meredith in its reasonable judgment believes are reasonably appropriate; and (B) interviews with the following persons and such other persons as Meredith in its reasonable judgment believes are reasonably appropriate: each of (i) the General Manager of each of the Meredith Stations; (ii) the Chief Engineer of each of the Meredith Stations; and (iii) the Business Manager of each of the Meredith Stations.

“Law” shall mean any United States (federal, state, local) or foreign statute, law, ordinance, regulation, rule, code, order, judgment, injunction or decree.

“Lien” shall mean, with respect to any property or asset, any mortgage, deed of trust, pledge, hypothecation, security interest, encumbrance, easement, right of way, encroachment, claim, lien, lease (including any capitalized lease) or charge of any kind, whether voluntarily incurred or arising by operation of Law or otherwise, including any agreement to give or grant any of the foregoing, any conditional sale or other title retention agreement and the filing of, or agreement to give, any financing statement with respect to any assets or property under the Uniform Commercial Code of any state or comparable Law.

“Market Cable System” shall mean, with respect to any television broadcast station, each DBS system serving, and each United States cable television system within such station’s market, as defined in 47 C.F.R. § 76.55(e), with two thousand (2,000) or more subscribers.

“Meredith Accounts Receivable” shall mean all accounts receivable, including accounts receivable relating to Meredith Tradeout Agreements and film and program barter agreements (except to the extent set forth in Section 2.5(f)), and all rights to receive payments under any notes, bonds and other evidences of indebtedness, and all other rights to receive payments, in each case arising out of sales occurring in the conduct of the Meredith Businesses prior to the Effective Time for services performed or delivered by the Meredith Businesses prior to the Effective Time and in each case valued net of any reserves established in respect thereof in accordance with GAAP.

“Meredith Assumed Liabilities” shall mean: (a) the current liabilities of Meredith related to the Meredith Stations as of the Effective Time, but only to the extent set forth on the Meredith Final Net Working Capital Statement delivered pursuant to Section 2.5; (b) the liabilities and obligations with respect to the Meredith Contracts and Meredith Permits arising from and

accruing exclusively with respect to the period after the Effective Time; and (c) the liabilities and obligations that are expressly assumed by Fox in Section 10.2; provided, however, that the Meredith Assumed Liabilities shall not include: (i) any liability or obligation under or with respect to any Meredith Contract or Meredith Permit required by the terms thereof to be discharged on or prior to the Effective Time; (ii) any liability or obligation for which Meredith has already received the partial or full benefit of the asset to which such liability or obligation relates, but only to the extent of such benefit received; (iii) any liability or obligation for borrowed money; (iv) any liability for Taxes of Meredith; (v) any liability or obligation under any sales representation agreement relating to the Meredith Stations, including any sales commissions payable with regard to advertising sold prior to the Effective Time but aired or to be aired after the Effective Time; (vi) any liability or obligation under any litigation or other legal proceeding relating to the Meredith Stations to the extent arising from the operation of the Meredith Stations prior to the Closing; (vii) any liability or obligation relating to or arising out of any of the Meredith Retained Assets; and (viii) any liability or obligation relating to or arising out of the Meredith iBlast Agreement and any Meredith News Consulting Agreements.

“Meredith Assumption Agreement” shall mean an instrument pursuant to which the Fox Assumed Liabilities are to be assumed by Meredith, substantially in the form attached as Exhibit E hereto.

“Meredith Bill of Sale and Assignment” shall mean an instrument pursuant to which Meredith will convey to Fox all of its right, title and interest in and to the Meredith Exchanged Assets in accordance herewith, substantially in the form attached as Exhibit F hereto.

“Meredith Businesses” shall mean, collectively, the operations and businesses of the Meredith Stations.

“Meredith Contracts” shall mean those agreements (other than those included in the Meredith Retained Assets) that relate to the Meredith Businesses and to which Meredith is a party or that are for the benefit of the Meredith Stations, whether written or oral, including the Meredith Leases, Meredith Paid Programming, all license agreements and all contractual obligations incurred by Meredith for the Meredith Program Rights, including those agreements listed on Schedule 4.5(h).

“Meredith Copyrights” shall mean all copyrights, including copyright registrations and registration applications therefor, related to copyrightable subject matter proprietary to the Meredith Stations (other than those included in the Meredith Retained Assets), including those registered copyrights and copyright applications identified on Schedule 4.6(e)(1).

“Meredith Equipment” shall mean all machinery, equipment, towers, Meredith Motor Vehicles, furniture, fixtures, furnishings, toolings, parts, blank films and tapes and other items of tangible personal property (other than those included in the Meredith Retained Assets) owned or leased by Meredith and used in the operation of the Meredith Stations, including those items listed on Schedule 1.1(k).

“Meredith Exchanged Assets” shall mean all of the assets, properties and businesses (other than those included in the Meredith Retained Assets), of every type and description, real,

personal and mixed, tangible and intangible, that are owned, leased or licensed by Meredith and are used or held for use in the conduct of the Meredith Businesses, whether or not any of such assets, properties and businesses have any value for accounting purposes or are carried or reflected on or specifically referred to in Meredith's books or financial statements, including all right, title and interest of Meredith in, to and under the following:

- (a) all Meredith Real Property;
- (b) all Meredith Equipment;
- (c) all Meredith Accounts Receivable;
- (d) all prepaid expenses, including ad valorem taxes, leases and rentals;
- (e) all books of account, general, financial, tax (other than income tax) and personnel records (unless prohibited by Law), invoices, supplier lists, correspondence and other documents, records, files and papers (including all records required to be kept by the Meredith Stations by the FCC), in each case whether in hard copy or computer format, and all computer software and programs and any rights thereto;
- (f) all Meredith Intangible Property;
- (g) all internet web sites and related agreements, content and databases, as and to the extent relating to the Meredith Businesses, including those set forth on Schedule 1.1(l);
- (h) all claims, causes of action, choses in action, rights of recovery and rights of set-off of any kind (excluding rights to insurance proceeds but including rights under and pursuant to all warranties, representations and guarantees made by suppliers of products, materials or equipment, or components thereof);
- (i) all sales and promotional literature, customer lists and other sales-related materials;
- (j) all Meredith Contracts;
- (k) all prepayments under advertising sales contracts, including Meredith Tradeout Agreements, for committed air time for advertising that has not aired prior to the Effective Time;
- (l) all transferable municipal, state and federal franchises, permits, licenses, agreements, waivers and authorizations, including any renewals thereof or any pending application therefor, including the Meredith FCC Licenses (the "Meredith Permits");
- (m) all management and other systems (including computers and peripheral equipment), databases, computer software, computer disks and similar assets utilized in the operation of and related to the Meredith Businesses and all licenses and rights relating thereto; and

(n) all current assets included in the Net Working Capital relating to the Meredith Stations, subject to adjustment as provided in Section 2.5 and other than that constituting the Final Excess Working Capital Amount, as applicable.

“Meredith FCC Licenses” shall mean all licenses, permits and authorizations issued by the FCC for the operation of the Meredith Stations as currently operated, including those listed on Schedule 1.1(m).

“Meredith iBlast Agreement” shall mean the iBlast License Agreement with Founding Stations by and between iBlast, Inc. and Meredith dated as of May 26, 2000 and any other agreement between Meredith and iBlast or any Affiliate of iBlast with respect to the Meredith Stations.

“Meredith Intangible Property” shall mean: (a) the Meredith Copyrights; (b) the Meredith Trademarks; (c) the Meredith Trade Secrets; (d) all of the rights of Meredith in and to the call letters “WOFL”, “WOFL-DT” and “WOGX”; (e) all domain names related to the Meredith Stations registered to Meredith or any of its Affiliates; (f) all goodwill, if any, associated with the foregoing; and (g) the “going concern” value of the Meredith Station.

“Meredith Interim Covenants” shall mean the covenants and agreements of Meredith contained in Sections 6.1, 6.2(a), 6.3(a), 6.3(b), 6.4, 6.5, 6.6, 7.1, 7.2, 7.3, 7.4, 7.5 and 7.7.

“Meredith Lease Assignment” shall mean one or more instruments pursuant to which all of Meredith’s right, title and interest in and to the Meredith Leases are to be assigned to Fox, substantially in the form of Exhibit G hereto.

“Meredith Leases” shall mean those leases or licenses of real property used or held for use in the conduct of the Meredith Businesses as listed on Schedule 1.1(n).

“Meredith Material Adverse Effect” shall mean a material adverse effect on: (a) the Meredith Exchanged Assets, the Meredith Assumed Liabilities, the Meredith Businesses (taken together) or the financial condition or results of operations of the Meredith Businesses (taken together); provided, however, that any material adverse effect arising out of or resulting from: (i) an event or series of events or circumstances affecting the television broadcast industry generally; (ii) the ratings or performance of a television network of which the Meredith Stations are an affiliate; (iii) the execution, delivery and performance of and the consummation of the transactions contemplated by this Agreement or the transactions contemplated hereby; or (iv) changes in economic, regulatory or political conditions generally, in each case, shall not constitute a Meredith Material Adverse Effect; or (b) the ability of Meredith to perform its obligations under this Agreement or the other instruments and agreements contemplated hereby.

“Meredith Motor Vehicles” shall mean all motor vehicles owned by Meredith and used in the operation of the Meredith Stations, including those listed on Schedule 1.1(o).

“Meredith Motor Vehicle Title Certificates” shall mean the official evidences of title to the Meredith Motor Vehicles.

“Meredith News Consulting Agreements” shall mean the Agreement for News and Marketing Consultation by and between Clemenson & Rovitto Inc. and Meredith dated May 1, 2001 and the SmithGeiger Research and Consulting Agreement by and between SmithGeiger and Meredith dated January 1, 2002 and any other agreement between Meredith or its Affiliates and any party (including any Affiliate of Meredith) for the provision of news consulting or marketing services to the Meredith Stations.

“Meredith Paid Programming” shall mean all programming which the Meredith Stations are paid to broadcast and which requires longer than sixty (60) seconds continuous broadcasting time, including, without limitation, all infomercials, telethons and special interest or promotional broadcasts, including those listed on Schedule 1.1(p).

“Meredith Permitted Liens” shall mean the following Liens: (a) Liens existing exclusively on Meredith Retained Assets; (b) Liens existing at the Effective Time to remain on Meredith Exchanged Assets as listed on Schedule 1.1(q); (c) Liens for Taxes, assessments or other governmental charges or levies not yet due; (d) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, materialman and other Liens imposed by law created in the ordinary course of the Meredith Businesses and on a basis consistent with past practice for amounts that are not yet due and payable or are being contested in good faith; (e) Liens (other than any Lien imposed by ERISA) incurred or deposits made in the ordinary course of the Meredith Businesses and on a basis consistent with past practice in connection with worker’s compensation, unemployment insurance or other types of social security; (f) minor defects of title, easements, rights-of-way, restrictions and other similar charges or encumbrances not materially detracting from the value of the Meredith Real Property or interfering in any material respect with the ordinary conduct of the Meredith Businesses; (g) Liens not created by Meredith that affect the underlying fee interest of any Meredith Real Property leased by Meredith but do not materially interfere with the ordinary conduct of the Meredith Business and will not materially interfere with the quiet enjoyment of such leased Meredith Real Property during the term of such leased Meredith Real Property; (h) Liens created by or through Fox or any of its Affiliates; and (i) any state of facts that an accurate survey would show, provided such facts do not materially interfere with the present use or materially detract from the value of the Meredith Real Property; provided, however, that all obligations secured by the Meredith Permitted Liens described in items (c), (d) and (e) are Meredith Retained Liabilities to the extent such obligations arise prior to the Effective Time and shall be paid and performed by Meredith when due unless adjusted in favor of Fox pursuant to Section 2.5.

“Meredith Program Rights” shall mean all rights of Meredith presently existing or obtained after the date of this Agreement and prior to the Effective Time in accordance with the terms of this Agreement, to broadcast television programs or shows as part of the Meredith Stations’ programming, including all film and program barter agreements, sports rights agreements, syndication agreements and network affiliation agreements.

“Meredith Real Property” shall mean the real property owned, leased, subleased or licensed by Meredith, as listed in Schedule 1.1(r), and all buildings, improvements and fixtures thereon, together with all strips and gores, rights of way, easements, privileges and appurtenances pertaining thereto, including any right, title and interest of Meredith in and to any street adjoining any portion of the Meredith Real Property.

“Meredith Retained Assets” shall mean: (a) cash and cash equivalents as of the Effective Time, including bank accounts, certificates of deposit and marketable securities; (b) intercompany accounts owing by and among Meredith or any Affiliate of Meredith other than those that relate to Meredith Contracts listed on Schedule 4.5(h) or are entered into after the date of this Agreement in accordance with Section 6.1(e) or otherwise as permitted under Section 6.1; (c) insurance policies relating to the Meredith Businesses and all claims, credits, causes of action or rights thereunder; (d) the trade names, trademarks and service marks (and any trademark and service mark registrations and/or applications related thereto) set forth on Schedule 1.1(s)(1) (the “Meredith Trademarks and Tradenames”); (e) the copyrights and copyright registrations and registration applications set forth on Schedule 1.1(s)(2); (f) any assets of any Meredith Plan sponsored by Meredith, other than assets of any Meredith Plan that is sponsored by the Meredith Stations and expressly assumed by Fox in Section 10.2; (g) all books, records, files and papers, whether in hard copy or computer format, prepared in connection with this Agreement or the transactions contemplated hereby and all minute books and corporate records of Meredith and their Affiliates; (h) all claims, causes of action, choses in action, rights of recovery and rights of set-off of any kind (including rights under and pursuant to all warranties, representations and guarantees made by suppliers of products, materials or equipment, or components thereof) to the extent such claims, causes of action, choses in action, rights of recovery and rights of set-off relate to the Meredith Retained Assets or the Meredith Retained Liabilities; (i) all rights to insurance proceeds; (j) the contracts, property and assets described on Schedule 1.1(t) and any other contracts (other than any advertising sales contracts entered into in the ordinary course of business consistent with past practice) binding on the Meredith Stations that (x) as required by this Agreement, should have been, but were not, disclosed on the Schedules hereto as Meredith Contracts to be included in the Meredith Exchanged Assets (and Meredith Assumed Liabilities), (y) are in effect on the date of this Agreement and either (A) involve payments or receipts by the Meredith Stations in the amount of \$100,000 individually or more or \$500,000 or more in the aggregate for all such undisclosed contracts or (B) involve the performance by the Meredith Stations of material non-monetary obligations and (z) are not cancelable on six (6) months’ notice or less without penalty or material payment, unless any such contracts are requested in writing to be and are assumed in writing by Fox; (k) all claims for and rights to refunds or credits with respect to Taxes paid by Meredith or any of their Affiliates relating to the conduct or operations of the Meredith Stations for all periods or portions thereof ending on or prior to the Effective Time or pursuant to Section 10.1 of this Agreement (including, in each case, any interest received from the relevant taxing authority); (l) all rights of Meredith arising under this Agreement and the other instruments and agreements contemplated hereby; (m) any and all right, title or interest in or to: (A) the names “Meredith” or any derivation thereof; and (B) any other trade names, trademarks and service marks owned, used or held for use by Meredith or its Affiliates, other than any such names and marks used pursuant to a license granted to Fox in connection with the consummation of the transactions contemplated by this Agreement; and (n) all internet websites, domain names and trade secrets not related exclusively to the Meredith Businesses.

“Meredith Stations License Assignment Agreement” shall mean the agreement substantially in the form of the Fox Station License Assignment Agreement pursuant to which, immediately upon consummation of the Closing, Fox Oregon will assign to FTS the Meredith FCC Licenses and provide FTS with access to the Meredith Stations.

“Meredith Stations Operating Agreement” shall mean the agreement substantially in the form of the Fox Station Operating Agreement pursuant to which, immediately upon the consummation of the Closing, Fox shall operate the Meredith Stations with the intent that the activities of such stations be treated for Federal income tax purposes as a partnership formed to operate the Meredith Stations for joint profit.

“Meredith Title Company” shall mean Fidelity National Title Company or such other title insurance company acceptable to Meredith.

“Meredith Trademark Assignment” shall mean an instrument pursuant to which Meredith assigns to Fox all of its right, title and interest in and to the Meredith Trademarks, substantially in the form of Exhibit H hereto.

“Meredith Trademarks” shall mean all of those trade names, trademarks, service marks, jingles, slogans, logos, trademark and service mark registrations and registration applications (other than those included in Meredith Retained Assets) owned, used, held for use, licensed by or leased by Meredith and related to the Meredith Stations as set forth on Schedule 4.6(e)(2) and the goodwill appurtenant thereto, if any.

“Meredith Tradeout Agreement” shall mean any contract, agreement or commitment of Meredith, oral or written, other than film and program barter agreements, pursuant to which Meredith has agreed to sell or trade commercial air time or commercial production services of the Meredith Stations in consideration for any property or service in lieu of or in addition to cash.

“Meredith Trade Secrets” shall mean all proprietary information of Meredith necessary to the current operation of the Meredith Stations (other than those included in the Meredith Retained Assets) that is not generally known and is used or useful in a trade or business, as to which reasonable efforts have been made to prevent unauthorized disclosure, and which provides a competitive advantage to those who know or use it.

“Meredith Warranty Deed” shall mean one or more deeds with covenants against matters arising by, through or under Meredith (other than Meredith Permitted Liens) in form and substance reasonably acceptable to Fox and the Fox Title Company, pursuant to which the Meredith Real Property owned by Meredith shall be conveyed to Fox at the Closing.

“Net Working Capital” with respect to either the Fox Station or Meredith Stations (taken together) shall mean: (x) all current assets relating to such stations, including all Fox Accounts Receivables or Meredith Accounts Receivables, as the case may be, and other similar prepaid expenses, but excluding cash (other than petty cash located on the Fox Real Property or the Meredith Real Property, as the case may be), all bank accounts, all cash equivalents and all other similar types of investments, all certificates of deposit, U.S. Treasury bills and other marketable securities; minus: (y) all current liabilities relating to such stations, including all trade and sundry payables and all payment obligations pursuant to programming contracts (except to the extent set forth in Section 2.5(f)) and license agreements, but only to the extent as set forth in the relevant party’s net working capital statement and excluding any cash overdraft or other liability associated with checks written prior, to the Closing Date, in each case determined in accordance with GAAP and as set forth on the parties’ net working capital statements delivered pursuant to

Section 2.5; provided, however, that for purposes of the net working capital statements relating to the Meredith Stations to be delivered pursuant to Section 2.5, if as of the Effective Time Meredith has not completed the DTV Construction (as defined below), “Net Working Capital” shall also include as a current liability the amount of expenditures that would be necessary, as of the Effective Time, to complete the construction, purchase and installation of equipment and successful testing and commencement of operation of a DTV facility for WOGX in accordance with the plan for the same previously disclosed by Meredith to Fox (the foregoing, the “DTV Construction”) (it being understood and agreed that such current liability shall in no event exceed an amount equal to \$875,000, less any amounts expended by Meredith prior to the Effective Time, whether incurred prior to or after the date hereof, in connection with the DTV Construction).

For purposes of determining the current liability to be included in Net Working Capital in respect of the DTV Construction, if any, the parties agree as follows:

(a) In connection with the delivery by Meredith of the Meredith Estimated Net Working Capital Statement, Meredith shall include: (i) its good faith estimate of the remaining expenditures necessary to complete the DTV Construction; (ii) the amounts Meredith has expended in respect of the DTV Construction prior to the Effective Time (together with reasonable evidence of payment of such expenditures); and (iii) the amount of the current liability to complete the DTV Construction and to be included as part of Meredith Estimated Net Working Capital Statement.

(b) In connection with the delivery by Fox of the Meredith Final Net Working Capital Statement, if Meredith had not completed the DTV Construction by the Effective Time and included a current liability relating to the DTV Construction in the Meredith Estimated Net Working Capital Statement, Fox shall include (i) its good faith estimate of any remaining expenditures necessary to complete the DTV Construction; (ii) the amounts, if any, Fox has expended after Closing in good faith by the date of delivery of such Meredith Final Net Working Capital Statement to complete the DTV Construction (together with reasonable evidence of such expenditure); and (iii) any resulting change in the amount of the current liability to be included as part of the Meredith Final Net Working Capital Statement.

(c) If there are any disputes relating to the amounts to be included in respect of the DTV Construction, such disputes shall be resolved in the same manner as provided in Section 2.5(d) for resolution of other disputes relating to Net Working Capital.

“PBGC” shall mean the Pension Benefit Guaranty Corporation.

“Person” shall mean any natural person, partnership, corporation, limited liability company, firm, association or other legal entity or organization, including any Governmental Authority.

“RCRA” shall mean the Resource Conservation and Recovery Act, as amended, and the regulations thereunder, as in effect on the date of this Agreement.

“Regulations” shall mean the Treasury Regulations promulgated pursuant to the Code.

“Release” shall mean any release, spill, emission, leaking, dumping, injection, pouring, deposit, disposal, discharge, dispersal, leaching or migration into the environment (including ambient air, surface water, groundwater, land surface or subsurface strata) or within any building, structure, facility or fixture.

“Schedules” shall mean those schedules referred to in this Agreement.

“Severance Benefit” shall mean the aggregate of any cash payment that an employee becomes or is entitled to receive on the occurrence of a termination of employment for any reason other than retirement, death or disability.

“Tax or Taxes” shall mean all income, gross receipts, gains, sales, use, employment, franchise, profits, excise, property, ad valorem, stamp, transfer, value added, intangibles or other taxes, fees, duties, assessments or charges of a similar nature (whether payable directly or indirectly or by withholding), together with any interest, penalties or additions to tax imposed by any taxing authority with respect thereto.

“TNCL” shall mean The News Corporation Limited, a South Australia corporation.

1.2 *Additional Defined Terms.* Each of the following additional capitalized terms used in this Agreement shall have the meanings specified in the section noted:

<u>DEFINED TERM</u>	<u>SECTION</u>
“ <u>Active Meredith Employees</u> ”	10.2(b)(i)
“ <u>Active Fox Employees</u> ”	10.3(b)(i)
“ <u>Appraisal</u> ”	2.4(a)
“ <u>Appraiser</u> ”	2.4(a)
“ <u>Arbitrator</u> ”	2.5(d)
“ <u>Cable Act</u> ”	5.1(s)
“ <u>Code</u> ”	Recitals
“ <u>DOJ</u> ”	7.1(b)
“ <u>Estimated Excess Net Working Capital Amount</u> ”	2.5(b)
“ <u>Estimated Net Working Capital Statements</u> ”	2.5(a)
“ <u>FCC</u> ”	Recitals
“ <u>FCC Applications</u> ”	7.2(a)
“ <u>Final Adjustment</u> ”	2.5(e)
“ <u>Final Excess Working Capital Amount</u> ”	2.5(e)
“ <u>Final Net Working Capital Statements</u> ”	2.5(c)
“ <u>Former Fox Employees</u> ”	10.3(a)
“ <u>Former Meredith Employees</u> ”	10.2(a)
“ <u>Fox Base Balance Sheets</u> ”	3.11
“ <u>Fox Employees</u> ”	10.3(a)
“ <u>Fox Estimated Net Working Capital Statement</u> ”	2.5(a)
“ <u>Fox Final Net Working Capital Statement</u> ”	2.5(c)
“ <u>Fox Financial Statements</u> ”	3.11
“ <u>Fox Indemnified Parties</u> ”	9.2(a)

<u>“Fox Oregon”</u>	Preamble
<u>“Fox Pension Plan”</u>	10.3(c)
<u>“Fox Plans”</u>	3.18(a)
<u>“Fox Retained Employees”</u>	5.6
<u>“Fox Retained Liabilities”</u>	2.2(c)
<u>“Fox Savings Plans”</u>	10.2(d)
<u>“Fox Station”</u>	Recitals
<u>“Fox Station License Assignment Agreement”</u>	Recitals
<u>“Fox Station Operating Agreement”</u>	Recitals
<u>“Fox Title Commitments”</u>	5.3(a)
<u>“Fox Title Policy”</u>	5.3(a)
<u>“Fox Trademarks and Tradenames”</u>	1.1
<u>“Fox Transferred Employees”</u>	10.3(b)(i)
<u>“Fox Warranty Breach”</u>	9.1(a)(i)
<u>“FTC”</u>	7.1(b)
<u>“FTH”</u>	1.1
<u>“FTS”</u>	Preamble
<u>“HSR Act”</u>	3.3
<u>“Inactive Meredith Employees”</u>	10.2(b)(i)
<u>“Inactive Fox Employees”</u>	10.3(b)(i)
<u>“Indemnified Party”</u>	9.3(a)
<u>“Indemnifying Party”</u>	9.3(a)
<u>“Losses”</u>	9.1(a)
<u>“Meredith”</u>	Preamble
<u>“Meredith Base Balance Sheets”</u>	4.11
<u>“Meredith Employees”</u>	10.2(a)
<u>“Meredith Estimated Net Working Capital Statement”</u>	2.5(a)
<u>“Meredith Final Net Working Capital Statement”</u>	2.5(c)
<u>“Meredith Financial Statements”</u>	4.11
<u>“Meredith Indemnified Parties”</u>	9.1(a)
<u>“Meredith Pension Plan”</u>	10.2(c)
<u>“Meredith Permits”</u>	1.1
<u>“Meredith Plans”</u>	4.18(a)
<u>“Meredith Retained Employees”</u>	6.6
<u>“Meredith Retained Liabilities”</u>	2.2(b)
<u>“Meredith Savings Plans”</u>	10.3
<u>“Meredith Stations”</u>	Recitals
<u>“Meredith Title Commitments”</u>	6.3(a)
<u>“Meredith Title Policy”</u>	6.3(a)
<u>“Meredith Trademarks and Tradenames”</u>	1.1
<u>“Meredith Transferred Employees”</u>	10.2(b)(i)
<u>“Meredith Warranty Breach”</u>	9.2(a)(i)
<u>“NPAL”</u>	1.1
<u>“PCBs”</u>	3.14(d)
<u>“Preliminary Adjustment”</u>	2.5(b)
<u>“Termination Date”</u>	11.1(a)(ii)

“WARN Act”
“WOFL”
“WOGX”

10.2(g)
Recitals
Recitals

1.3 *Terms Generally.* 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; (a) the terms “hereof”, “herein” and “herewith” and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole (including all of the Schedules and Exhibits hereto) and not to any particular provision of this Agreement, and Article, Section, paragraph, Exhibit and Schedule references are to the Articles, Sections, paragraphs, Exhibits and Schedules to this Agreement unless otherwise specified; (b) the word “including” and words of similar import when used in this Agreement shall mean “including, without limitation,” unless otherwise specified; (c) the word “or” shall not be exclusive; (d) provisions shall apply, when appropriate, to successive events and transactions; (e) terms not found in Section 1.1 are defined elsewhere in this Agreement; and (f) the phrase “consistent with past practice” and like phrases, when used in this Agreement with respect to the Fox Station or the Fox Business, unless otherwise expressly specified herein, shall mean the past practices of Fox as exercised with respect to the Fox Station since the Chris-Craft Closing or the past practices of Chris-Craft as exercised with respect to the Fox Station prior to the Chris-Craft Closing and when used in this Agreement with respect to the Meredith Stations, unless otherwise expressly specified herein, shall mean the past practices of Meredith as exercised with respect to the Meredith Stations.

Article II EXCHANGE OF ASSETS

2.1 *Exchange of Assets.* Subject to the terms and conditions set forth herein, at the Closing: Meredith shall transfer, assign and convey to Fox (or cause to be transferred, assigned and conveyed to Fox), and Fox shall acquire from Meredith, all of the Meredith Exchanged Assets and, in exchange therefor, Fox shall transfer, assign and convey to Meredith (or cause to be transferred, assigned and conveyed to Meredith), and Meredith shall acquire from Fox, all of the Fox Exchanged Assets. The Fox Exchanged Assets consisting of tangible personal property shall be exchanged for the Meredith Exchanged Assets consisting of tangible personal property, the Fox Exchanged Assets consisting of real property shall be exchanged for the Meredith Exchanged Assets consisting of real property and the Fox Exchanged Assets consisting of intangible property shall be exchanged for Meredith Exchanged Assets consisting of intangible property.

2.2 *Assumption of Liabilities.*

(a) Subject to the terms and conditions set forth herein, at the Closing:

(i) Fox shall assume, effective as of the Effective Time, the Meredith Assumed Liabilities pursuant to the Fox Assumption Agreement; and

(ii) Meredith shall assume, effective as of the Effective Time, the Fox Assumed Liabilities pursuant to the Meredith Assumption Agreement.

(b) Notwithstanding anything to the contrary contained herein, at the Closing, Fox shall not: (A) assume or be bound by or be obligated or responsible for any duties, responsibilities, commitments, expenses, Taxes, obligations or liabilities of Meredith or relating to the Meredith Exchanged Assets or the Meredith Businesses (or which may be asserted against or imposed upon Fox as a successor or transferee of Meredith, as an acquirer of the Meredith Exchanged Assets or the Meredith Businesses or otherwise as a matter of Law) of any kind or nature (fixed or contingent, known or unknown), other than the Meredith Assumed Liabilities; or (B) be responsible for any liabilities and obligations, other than the Meredith Assumed Liabilities, arising out of the conduct and operations of the Fox Exchanged Assets, the Fox Business and the Fox Station as and to the extent attributable to any period from and after the Closing; or (C) be responsible for: (i) any liabilities and obligations arising out of the Meredith Retained Assets; (ii) any liabilities and obligations listed in the proviso to the defined term “Meredith Assumed Liabilities”; (iii) any liabilities and obligations (whether or not constituting an Environmental Claim or noncompliance with any Environmental Law or Environmental Permit or a breach of or inaccuracy in the representations and warranties of Meredith pursuant to Section 4.14) that are imposed by third parties and that arise under Environmental Laws to the extent such liabilities and obligations arise from facts, circumstances or conditions initiated, existing or occurring prior to the Closing; and (iv) any liabilities and obligations with respect to any Meredith Retained Employees (clauses (A), (B) and (C), collectively, the “Meredith Retained Liabilities”).

(c) Notwithstanding anything to the contrary contained herein, at the Closing, Meredith shall not: (A) assume or be bound by or be obligated or responsible for any duties, responsibilities, commitments, expenses, Taxes, obligations or liabilities of Fox or relating to the Fox Exchanged Assets or the Fox Business (or which may be asserted against or imposed upon Meredith as a successor or transferee of Fox, as an acquirer of the Fox Exchanged Assets or the Fox Business or otherwise as a matter of Law) of any kind or nature (fixed or contingent, known or unknown), other than the Fox Assumed Liabilities; or (B) be responsible for any liabilities and obligations, other than the Fox Assumed Liabilities, arising out of the conduct and operations of the Meredith Exchanged Assets, the Meredith Businesses and the Meredith Stations as and to the extent attributable to any period from and after the Closing; or (C) be responsible for: (i) any liabilities and obligations arising out of the Fox Retained Assets; (ii) any liabilities and obligations listed in the proviso to the defined term “Fox Assumed Liabilities”; (iii) any liabilities and obligations (whether or not constituting an Environmental Claim or noncompliance with any Environmental Law or Environmental Permit or a breach of or inaccuracy in the representations and warranties of Fox pursuant to Section 3.14) that are imposed by third parties and that arise under Environmental Laws to the extent such liabilities and obligations arise from facts, circumstances or conditions initiated, existing or occurring prior to the Closing; and (iv) any liabilities and obligations with respect to any Fox Retained Employees (clauses (A), (B) and (C), collectively, the “Fox Retained Liabilities”).

2.3 *Closing.* Subject to the terms and conditions set forth herein at the Closing:

(a) Fox shall deliver, or cause to be delivered to Meredith: (A) properly executed and dated as of the Closing Date: (i) the Fox Assumption Agreement; (ii) the Fox Bill of Sale and Assignment; (iii) the Fox Motor Vehicle Title Certificates; (iv) the Fox Trademark Assignment; (v) the Fox Warranty Deed; (vi) the Fox Lease Assignment; (vii) all consents of third parties obtained by Fox as of the Closing Date to the assignment of the Fox Contracts to Meredith; and (viii) such other documents as provided in Article VIII hereof or as Meredith shall reasonably request to effect the transactions contemplated by this Agreement; and (B) any amounts payable by Fox under this Agreement at the Closing; and

(b) Meredith shall deliver, or cause to be delivered to Fox: (A) properly executed and dated as of the Closing Date: (i) the Meredith Assumption Agreement; (ii) the Meredith Bill of Sale and Assignment; (iii) the Meredith Motor Vehicle Title Certificates; (iv) the Meredith Trademark Assignment; (v) the Meredith Warranty Deed; (vi) the Meredith Lease Assignment; (vii) all consents of third parties obtained by Meredith as of the Closing Date to the assignment of the Meredith Contracts to Fox; and (viii) such other documents as provided in Article VIII hereof or as Fox shall reasonably request to effect the transactions contemplated by this Agreement; and (B) any amounts payable by Meredith under this Agreement at the Closing.

2.4 *Allocation of Fair Market Value.*

(a) The fair market value of each of the assets (other than those which, individually or in the aggregate, are not material in value) that comprise the Fox Exchanged Assets and the Meredith Exchanged Assets shall be determined on the basis of appraisals (the “Appraisal”) prepared by the firm of Bond & Pecaro or such other appraisal firm as the parties may mutually agree (the “Appraiser”), whose fees and expenses shall be shared equally between Fox and Meredith. The parties shall direct the Appraiser to deliver the Appraisals within sixty (60) days after the Closing Date.

(b) Each acquiring party under this Agreement, shall cause to be prepared within forty-five (45) days of receipt of the Appraisals, a draft of IRS Forms 8824 and 8594 on the basis of the Appraisals. Each such acquiring party shall deliver drafts of their respective IRS Forms 8824 and 8594 for each station to the appropriate conveying party for approval, which approval shall not be unreasonably withheld or delayed.

(c) To the extent permissible under Section 1031 of the Code, each party to this Agreement shall report the transaction contemplated hereby as a “like-kind exchange”, consistent with the Appraisals, and the IRS Forms 8594 and 8824 prepared in accordance with Section 2.4(b) above, and shall not take, and shall not permit their respective Affiliates, representatives, successors and assigns to take, any position on any federal, state or local tax return or report, or in any tax examination, tax audit or tax litigation, inconsistent with such reporting position, the Appraisals, or such IRS Form 8594 or 8824; provided, however, that nothing herein shall be deemed to prevent any of the parties or their respective Affiliates, representatives, successors and assigns from

compromising its position with respect to the application of Section 1031, if such party determines in good faith that to do so would be in its best interests and written notification of such determination is delivered to the other party.

(d) Subject to Section 2.4(c), each party to this Agreement shall cooperate with the others, including, without limitation, in preparing IRS Forms 8594 and 8824 and executing all necessary agreements and documents to the extent necessary for them to treat the exchange of the assets hereunder as a “like-kind exchange” to the extent permissible under Section 1031 of the Code.

(e) In order to effectuate the transactions contemplated hereby as a like-kind exchange to the maximum extent possible under Section 1031 of the Code, or to facilitate one or more of the exchanges (or any part thereof) as part of a deferred like-kind exchange, each party to this Agreement: (i) may at any time at or prior to Closing assign its rights, in whole or in part, under this Agreement (but such assignment shall not relieve it of its obligations under this Agreement) to a “qualified intermediary” (as defined in Treas. Reg. § 1.1031(k)-1(g)(4)) selected by it, subject to all rights and obligations hereunder of the parties, respectively; and, in such event; (ii) shall promptly provide written notice of such assignment to the other party. If Fox shall have given notice of such assignment to a qualified intermediary, Meredith shall: (x) promptly provide Fox with written acknowledgment of such notice; and (y) at the Closing, convey the Meredith Exchanged Assets (or such portion of them as shall have been designated by the qualified intermediary) to, or as directed by, the “qualified intermediary” rather than to Fox (which conveyance shall, to such extent, discharge the obligation of Meredith to deliver the Meredith Exchanged Assets and the Meredith Stations hereunder). If Meredith shall have given notice of such assignment to a qualified intermediary, Fox shall: (A) promptly provide Meredith with written acknowledgment of such notice; and (B) if requested, at the Closing, convey the Fox Exchanged Assets (or such portion of them as shall have been designated by the qualified intermediary to the “qualified intermediary” rather than to, or as directed by, Meredith (which conveyance shall, to such extent, discharge the obligation of Fox to deliver the Fox Exchanged Assets and the corresponding Fox Station hereunder).

(f) Neither party to this Agreement shall have any liability or obligation to any other party for the failure of the exchange of the assets hereunder to qualify as a like-kind exchange under Section 1031 of the Code unless such failure is the result of a breach by it of its representations, warranties, covenants and obligations set forth in this Section 2.4. Notwithstanding anything in this Agreement to the contrary, the provisions of this Section 2.4 shall survive without limitation.

2.5 Working Capital Adjustment.

(a) No later than five (5) Business Days prior to the Closing Date: (i) Fox shall deliver to Meredith unaudited statements of Net Working Capital for the Fox Station, prepared in accordance with GAAP, setting forth a good faith estimate of the current assets and current liabilities of such stations as at the proposed Closing Date, together with a calculation of the estimated Net Working Capital of the Fox Station as at

the proposed Closing Date (the “Fox Estimated Net Working Capital Statement”); and (ii) Meredith shall deliver to Fox an unaudited statement of Net Working Capital for each of the Meredith Stations, prepared in accordance with GAAP, setting forth a good faith estimate of the current assets and current liabilities of such stations as at the proposed Closing Date, together with a calculation of the estimated Net Working Capital of the Meredith Stations (taken together) as at the proposed Closing Date (the “Meredith Estimated Net Working Capital Statement” and, together with the Fox Estimated Net Working Statement, the “Estimated Net Working Capital Statements”).

(b) If the estimated Net Working Capital of the Fox Station exceeds the estimated Net Working Capital of the Meredith Stations (each as set forth in the Estimated Net Working Capital Statements), or vice versa (such excess, the “Estimated Excess Net Working Capital Amount”), then whichever of Fox or Meredith received the Estimated Excess Net Working Capital Amount pursuant to the exchange of assets under this Agreement shall be required to make a cash payment to the other, at the Closing, in an amount equal to the Estimated Excess Net Working Capital Amount (such payment, the “Preliminary Adjustment”). Notwithstanding the foregoing, if either of Fox or Meredith shall make a good faith objection to the other’s Estimated Net Working Capital Statement that is not resolved by such parties within five (5) Business Days after the receipt of the Estimated Net Working Capital Statements, then the Preliminary Adjustment shall not be required to be made.

(c) Within ninety (90) days following the Closing Date: (i) Fox shall deliver to Meredith unaudited statements of Net Working Capital for each of the Meredith Stations, prepared in accordance with GAAP, setting forth the actual current assets and current liabilities of such stations as at the Closing Date, together with a calculation of the actual Net Working Capital of the Meredith Stations (taken together) as at the Closing Date (the “Meredith Final Net Working Capital Statement”); and (ii) Meredith shall deliver to Fox an unaudited statement of Net Working Capital for the Fox Station, prepared in accordance with GAAP, setting forth the actual current assets and current liabilities of such station as at the Closing Date, together with a calculation of the actual Net Working Capital of the Fox Station as at the Closing Date (the “Fox Final Net Working Capital Statement” and, together with the Meredith Final Net Working Capital Statement, the “Final Net Working Capital Statements”).

(d) The Final Net Working Capital Statements shall be final and binding on Fox and Meredith unless, within ten (10) days of the receipt thereof, Fox or Meredith makes a good faith written objection thereto. If such an objection is made, then Fox and Meredith shall consult with each other and attempt to resolve such objection. If they are unable to resolve such objection within thirty (30) days of receipt of such objection, then the auditors of each of Fox and Meredith shall select an internationally recognized, independent public accounting firm, which accounting firm shall not have been the auditing firm representing Fox or Meredith during the last two (2) years (the “Arbitrator”), to prepare and deliver to Fox and Meredith, within sixty (60) days of being selected, its own Final Net Working Capital Statements for the Fox Station and the Meredith Stations (taken together). The Arbitrator’s determination of the Final Net Working Capital Statements for the Fox Station and the Meredith Stations (taken

together) shall be binding on both Fox and Meredith. The fees and expenses of the Arbitrator shall be borne equally by Fox and Meredith.

(e) If the final Net Working Capital of the Fox Station exceeds the final Net Working Capital of the Meredith Stations (taken together) (each as set forth in the Final Working Capital Statements determined in accordance with Section 2.5(d)), or vice versa (such excess, plus interest thereon from the Closing Date at the prime rate of Citibank, N.A. in New York City at the time of determination through the date of payment indicated below, being referred to herein as the “Final Excess Working Capital Amount”), then a cash payment (the “Final Adjustment”) shall be made by either Fox or Meredith to the other within ten (10) days after the Final Net Working Capital Statements are agreed to by Fox and Meredith or delivered by the Arbitrator to Fox and Meredith, with such Final Adjustment to be determined as follows:

(i) If neither party paid the Preliminary Adjustment, then whichever of Fox or Meredith received the Final Excess Working Capital Amount pursuant to the exchange of assets under this Agreement shall pay to the other party the Final Adjustment in an amount equal to the Final Excess Working Capital Amount.

(ii) If Fox or Meredith paid the Preliminary Adjustment and also received the Final Excess Working Capital Amount pursuant to the exchange of assets under this Agreement, then: (x) if the Final Excess Working Capital Amount exceeded the Preliminary Adjustment, then the party that paid the Preliminary Adjustment shall pay the other party the Final Adjustment in an amount equal to such excess; and (y) if the Preliminary Adjustment exceeded the Final Excess Working Capital Amount, then the party that received the Preliminary Adjustment shall pay the other party the Final Adjustment in an amount equal to such excess.

(iii) If Fox or Meredith paid the Preliminary Adjustment, but did not also receive the Final Excess Working Capital Amount pursuant to the exchange of assets under this Agreement, then the party that received the Preliminary Adjustment and the Final Excess Working Capital Amount pursuant to the exchange of assets under this Agreement shall pay the other party the Final Adjustment in an amount equal to the sum of the Final Excess Working Capital Amount and the amount of the Preliminary Adjustment received by such party.

(iv) If Fox or Meredith paid the Preliminary Adjustment and the Preliminary Adjustment was in an amount equal to the Final Excess Working Capital Amount, then no Final Adjustment shall be payable.

(f) For purposes of the net working capital statements prepared pursuant to this Section 2.5 and any calculation of Net Working Capital: (A) current assets and current liabilities shall be deemed to include the assets and liabilities, whether or not current, under Fox Tradeout Agreements and Meredith Tradeout Agreements; (B) liabilities due under the Fox or Meredith film or programming license agreements (barter or otherwise) shall be required to be brought current by Fox and Meredith by the Closing and all liabilities and assets under such film and programming agreements shall be

excluded from Net Working Capital, except for those liabilities relating to the calendar month in which the Effective Time occurs and, for the purpose of determining the due date for payments due under film or programming license agreements (barter or otherwise) that are silent as to the day of the month on which payment is due, such agreements shall be deemed to provide that the payment is due on the first day of the month in which the Effective Time occurs; (C) Fox Retained Assets, Fox Retained Liabilities, Meredith Retained Assets and Meredith Retained Liabilities shall be excluded; (D) the compensation equivalent of all unpaid, accrued employee vacation time (provided, that if the Closing Date occurs prior to July 1, 2002, then Meredith shall be entitled to record its accrued vacation time as if it was earned one-half in the first six (6) months of the calendar year in which the Closing occurs and one-half in the last six (6) months of such year), payroll taxes, commissions and fringe benefits for the period prior to the Effective Time for all Fox Transferred Employees and all Meredith Transferred Employees shall be included (and all information reasonably necessary to determine the accuracy thereof shall be provided); and (E) credit shall be given for liabilities for advertising time to be aired after the Effective Time for which payment has been, or will be made to the party transferring such liability.

2.6 *Consents of Third Parties.* Anything in this Agreement to the contrary notwithstanding, this Agreement shall not constitute an agreement to assign any of the Fox Exchanged Assets or Meredith Exchanged Assets or any claim, right or any benefit arising thereunder or resulting therefrom, if an attempted assignment thereof, without the consent of the applicable third party thereto, would constitute a breach or other contravention thereof or in any way adversely affect the rights of Meredith or Fox, as the case may be, thereunder. Fox or Meredith, as applicable, will use commercially reasonable efforts to obtain the consent of the other parties to any such Fox Exchanged Assets or Meredith Exchanged Assets, as the case may be, for the assignment thereof to Meredith or Fox, as the case may be. If such consent is not obtained, Fox and Meredith will cooperate to achieve a mutually agreeable arrangement under which Meredith or Fox, as the case may be, would obtain the benefits and assume the obligations thereunder (but only to the extent such obligations would have constituted Fox or Meredith Assumed Liabilities if such assignment occurred on the Closing Date) from and after the Closing Date in accordance with this Agreement. Notwithstanding the foregoing, neither Meredith nor Fox shall be required to pay consideration to any third party to obtain any such consent, except as provided in the applicable Fox Contract or Meredith Contract. Notwithstanding anything to the contrary contained in this Agreement, the sole Closing conditions relating to the obtaining of consents, approvals or authorizations of third parties are contained in Article VIII.

Article III
REPRESENTATIONS AND WARRANTIES OF FOX

Each Fox entity jointly and severally represents and warrants to Meredith as follows:

3.1 *Incorporation.*

(a) Fox Oregon is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Oregon with all requisite power and authority to operate the Fox Station, together with FTS, and carry on its business as now conducted.

(b) FTS is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware with all requisite power and authority to carry on its business as now conducted. As of the date of this Agreement, FTS is the direct licensee of twenty-one (21) television broadcast stations and controls the operations of ten (10) additional television broadcast stations.

(c) Except as set forth in Schedule 3.1(c), the Fox Exchanged Assets do not include any Persons.

3.2 *Authorization; Enforceability.* The execution, delivery and performance of this Agreement by Fox and all of the documents and instruments required hereby to which Fox is a party, and the consummation by Fox of the transactions contemplated hereby and thereby, are within the corporate power of Fox and have been duly authorized by all necessary corporate action on the part of Fox and its stockholders. This Agreement has been duly executed and delivered by Fox, and at the Closing, such other documents and other instruments required hereby to be executed and delivered by Fox will be duly executed and delivered by Fox. This Agreement is a valid and binding obligation of Fox, enforceable against it in accordance with its terms. Each other document and instrument required hereby to which Fox is a party will be, when executed and delivered by Fox, the valid and binding obligation of Fox, enforceable against Fox in accordance with its terms.

3.3 *Governmental Authorizations.* The execution, delivery and performance by Fox of this Agreement and the other documents or instruments contemplated hereby to which Fox is a party and the consummation by Fox of the transactions contemplated hereby and thereby require no action by or in respect of, or filing with, any Governmental Authority other than: (i) the FCC; (ii) compliance with any applicable requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the “HSR Act”); and (iii) any such action or filing as to which the failure to make or obtain would not reasonably be likely to have, individually or in the aggregate, a Fox Material Adverse Effect.

3.4 *No Conflicts.* Neither the execution, delivery or performance of this Agreement by Fox or the other documents or instruments contemplated hereby to which Fox is a party does or will, after the giving of notice, or the lapse of time or both, or otherwise:

(a) conflict with, result in a breach of, or constitute a default under, the constituent documents of Fox;

(b) assuming compliance with the matters referred to in Section 3.3 above, violate any Law applicable to Fox, or any court or administrative order or process that relates to the ownership or operation of the Fox Station or any of the Fox Exchanged Assets, except for any such violations that would not, individually or in the aggregate, reasonably be likely to have a Fox Material Adverse Effect;

(c) result in the creation or imposition of any Lien upon any of the Fox Exchanged Assets that would remain on the Fox Exchanged Assets after Closing, other than Fox Permitted Liens, except, as would not, individually or in the aggregate, reasonably be likely to have a Fox Material Adverse Effect; or

(d) except as set forth on Schedule 3.4(d), require any consent or other action by or notice to any Person under, or constitute a default under, or give rise to any right of termination, cancellation or acceleration of any right or obligation of Fox or to a loss of any benefit to which Fox is entitled under, any provision of any agreement or other instrument binding upon the Fox Station or by which any of the Fox Exchanged Assets is or may be bound, except for any such consents, actions, defaults, rights or losses that would not, individually or in the aggregate, reasonably be likely to have a Fox Material Adverse Effect.

3.5 *Fox Material Contracts.*

(a) As of the date of this Agreement, the Fox Contracts listed on Schedule 3.5(a) constitute all of the Fox Contracts with third parties (whether or not such third parties are Affiliates of Fox):

(i) for the sale of broadcast time for advertising or other purposes for cash that was not made in the ordinary course of the Fox Business consistent with past practice;

(ii) for Fox Paid Programming;

(iii) with a term of more than six (6) months from the date of this Agreement or that involve payments or receipts over such remaining term of more than \$50,000 with respect to any single agreement and \$200,000 in the aggregate for all such non-disclosed contracts with respect to the Fox Station, other than those Fox Contracts that constitute advertising sales contracts for cash only and that have a term of not more than twelve (12) months which were made in the ordinary course of the Fox Business consistent with past practice;

(iv) involving the purchase, sale or lease of real property;

(v) involving the lease, sublease or similar agreement under which Fox is a lessor or sublessor of, or makes available for use to any third party, (x) any portion of the Fox Real Property, or (y) any portion of the premises otherwise occupied by Fox;

(vi) involving construction, architecture, engineering or other agreements relating to uncompleted construction projects;

(vii) under which Fox has borrowed any money from, or issued any note, bond, debenture or other evidence of indebtedness to, any third party (including Affiliates) or involving any Financing Leases;

(viii) under which Fox has, directly or indirectly, made any loan, extension of credit (other than in the ordinary course of the Fox Business) or capital contribution to, or investment in, any third party (including to Affiliates), other than to officers and employees of Fox for travel or business expenses in the ordinary course of the Fox Business);

(ix) constituting a mortgage, pledge or security agreement, deed of trust or other instrument granting a material Lien upon any property of the Fox Station;

(x) containing a guarantee or indemnification (other than indemnification obligations made in the ordinary course of the Fox Business consistent with past practices) by Fox;

(xi) containing confidentiality (other than confidentiality obligations made in the ordinary course of the Fox Business consistent with past practices) or noncompetition restrictions binding on: (A) the Fox Station or its employees or consultants and relating to the Fox Station; or (B) any of the Affiliates of the Fox Station that may bind Meredith or their Affiliates as a result of the consummation of the transactions contemplated by this Agreement;

(xii) involving a joint venture or similar agreement with another party with respect to all or any part of the operations of the Fox Station;

(xiii) involving any contract, agreement or commitment with any Affiliate of Fox or any officer, director or employee of Fox or its Affiliates, provided that all Fox Contracts meeting the standard of this Section 3.5(a)(xiii) are identified in Schedule 3.5(a);

(xiv) involving employment by the Fox Station of any employee or consultant; and

(xv) involving any labor agreement or collective bargaining agreement of the Fox Station.

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

(c) Fox has not received written notice of any default under any material Fox Contract.

(d) Each Fox Contract is in full force and effect and constitutes the legal and binding obligation of, and is legally enforceable against, Fox in accordance with its terms

and, to the Knowledge of Fox, 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) except as would not, individually or in the aggregate, reasonably be likely to have a Fox Material Adverse Effect.

(e) Fox has made available to Meredith prior to the date of this Agreement true and complete copies of all Fox Contracts listed on Schedule 3.5(a), including all amendments, modifications and supplements thereto, and any assignments thereof, and Schedule 3.5(e) contains summaries of the provisions of all material oral Fox Contracts.

(f) Schedule 3.5(f) includes an accurate and complete list of all Fox Tradeout Agreements and sets forth for each Fox Tradeout Agreement the parties thereto, the value of broadcast time required to be provided on the Fox Station from and after December 31, 2001 and the value of goods and services to be provided to the Fox Station from and after such date.

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

(h) Schedule 3.5(h) is a list, as of the date of this Agreement, of all Fox Contracts relating to Fox Program Rights, true and complete copies of which have been made available to Meredith prior to the date of this Agreement together with a summary, prepared to the Knowledge of Fox, of: (i) the estimated number of plays remaining under each such Fox Contract as of January 27, 2002; (ii) the estimated number of plays taken under each such Fox Contract as of January 27, 2002; (iii) the start and end dates of each such Fox Contract as of January 27, 2002; (iv) total payments made up to December 31, 2001 under each such Fox Contract; and (v) total payments required to be made from and after December 31, 2001 under each such Fox Contract.

(i) No party to any Fox Contract has (x) made or asserted in writing, any defense, setoff or counterclaim under such Fox Contract; or (y) exercised any option granted to it to cancel or terminate any Fox Contract or to shorten the term thereof, except, in each case, as would not, individually or in the aggregate, reasonably be likely to have a Fox Material Adverse Effect.

3.6 *Intangible Property.* Except as set forth in Schedule 3.6:

(a) There are no claims, demands or proceedings instituted, pending or, to the Knowledge of Fox, threatened by any third party pertaining to or challenging Fox's right to use any of the Fox Intangible Property, except for any such claims, demands or proceedings as would not, individually or in the aggregate, reasonably be likely to have a Fox Material Adverse Effect.

(b) To the Knowledge of Fox, there is no trademark, trade name, patent or copyright owned by a third party that Fox is using in the Fox Business without license to do so except for such failures to hold licenses as would not, individually or in the aggregate, reasonably be likely to have a Fox Material Adverse Effect.

(c) Except for the Fox Retained Assets, the Fox Intangible Property constitutes all Fox Copyrights, Fox Trademarks and rights in and to call letters necessary for or used in the operation of the Fox Station (other than copyrights and trademarks with respect to television programming licensed to the Fox Station).

(d) All material Fox Intangible Property has been duly registered with and registrations therefor issued by, or registrations therefor have been duly applied for with, as applicable, the appropriate Governmental Authority where such registrations and issuances or applications are necessary for the Fox Business as conducted on the date of this Agreement, and all such registrations and issuances are valid and in good standing.

(e) Except for the Fox Retained Assets, all material Fox Copyrights and Fox Trademarks that are registered or for which registration applications have been filed are described, listed or set forth on Schedules 3.6(e)(1) and 3.6(e)(2), respectively, all of which are transferable to Meredith without the consent of any third party.

3.7 Title to Fox Exchanged Assets; Liens. Fox has good title to or valid leasehold interests in all of the Fox Exchanged Assets (other than the Fox Real Property, as to which the provisions of Section 3.8 apply), free and clear of any and all Liens (other than Fox Permitted Liens). At the Closing, all of the Fox Exchanged Assets shall be transferred to Meredith free and clear of any and all Liens (other than Fox Permitted Liens and Liens created by Meredith).

3.8 Real Property.

(a) Fox has good, marketable and insurable fee simple absolute title or valid leasehold interests as applicable in the Fox Real Property, free and clear of any and all Liens (other than Fox Permitted Liens). Fox does not own, lease, sublease, license or use any real property in the operation of the Fox Station other than the Fox Real Property. Upon the consummation of the Closing, all right, title and interest of Fox in, to and under the Fox Leases and the Fox Real Property will be transferred to Meredith free and clear of any and all Liens (other than Fox Permitted Liens and Liens created by Meredith).

(b) Fox has not received written notice of, or otherwise has Knowledge of, any pending condemnation or similar proceeding affecting the Fox Real Property or any portion thereof, and, to the Knowledge of Fox, no such condemnation or similar proceeding is presently contemplated or threatened that would, individually or in the aggregate, reasonably be likely to have a Fox Material Adverse Effect.

(c) Except as disclosed on Schedule 3.8(c) and Schedule 1.1(g), there are no parties in possession of any portion of the Fox Real Property other than Fox, whether as lessees or tenants at will.

(d) The current use of the Fox Real Property does not, and all parts thereof as aforesaid do not, violate any restrictive covenant affecting the Fox Real Property or otherwise violate any Law, except for violations that would not, individually or in the aggregate, reasonably be likely to have a Fox Material Adverse Effect. There are no facts that would prevent any portion of the Fox Real Property from being occupied after the Closing in substantially the same manner as currently occupied.

(e) As of the date of this Agreement, there is no Law in existence, the operation of which would require Fox to make any material expenditure to modify or improve any of the Fox Real Property to bring such Fox Real Property into substantial compliance therewith.

(f) The Fox Real Property has reasonably adequate access to and from completed, dedicated and accepted public roads, and there is no pending or, to the Knowledge of Fox, threatened Action that would materially impair or curtail such access. All towers, guy anchors, buildings and other improvements included in the Fox Exchanged Assets are wholly within the lot limits of the Fox Real Property and do not encroach on any adjoining premises, and there are no encroachments on any portion of the Fox Real Property by any improvements located on any adjoining premises, except for such encroachments as would not, individually or in the aggregate, reasonably be likely to have a Fox Material Adverse Effect.

(g) There are no structural, electrical, mechanical, plumbing, air conditioning, heating or other defects in the buildings located on the Fox Real Property, and the roofs of the buildings located on the Fox Real Property are free from leaks and in good condition, except for such defects and leaks that would not, individually or in the aggregate, reasonably be likely to have a Fox Material Adverse Effect.

(h) All amounts owing to any architect, contractor, subcontractor or materialman for labor or materials performed, rendered or supplied to or in connection with the Fox Real Property have been or shall have been paid prior to Closing.

3.9 *Condition of Fox Equipment.* Each material item of Fox Equipment is in good condition and repair for its current use, ordinary wear and tear excepted, and is not in need of imminent repair or replacement, and those material items of Fox Equipment constituting transmitting and studio equipment are operating in accordance with standards of good engineering practice in the television broadcasting industry. Except as set forth on Schedule 3.9, all material operating systems and computer software included in the Fox Exchanged Assets are: (x) operating satisfactorily for the task to which they are being applied and in accordance with all vendor warranties and vendor-supplied user documentation; (y) reasonably capable of handling existing and currently contemplated work volumes; and (z) not in imminent need of upgrade, enhancement or replacement.

3.10 *Fox Exchanged Assets.* Except for: (x) the Fox Retained Assets; and (y) assets, properties and rights that are disposed of or consumed in the ordinary course of the Fox Business since the date of this Agreement in a manner permitted by this Agreement, the Fox Exchanged Assets include all of the assets, properties and rights of every type and description, real, personal

and mixed, tangible and intangible, that are necessary to the continued conduct of the Fox Business by Meredith in all material respects in the same manner as the Fox Business is conducted as of the date of this Agreement.

3.11 *Financial Statements.* Attached as Schedule 3.11(a)(1) are true and complete copies of the unaudited balance sheets as at December 31, 2001 for the Fox Station (collectively, the “Fox Base Balance Sheets”), and related statements of income and broadcast cashflows for the five month period ended December 31, 2001 (collectively, the “Fox Financial Statements”). The Fox Financial Statements: (A) are in accordance with the Fox Base Balance Sheets and the books and records of the Fox Station; (B) have been prepared in accordance with GAAP except (i) as set forth on Schedule 3.11(a)(2), and (ii) that such financial statements do not contain all of the footnote disclosures required by GAAP; and (C) present fairly in all material respects the financial condition of the Fox Station and broadcast cashflows of the Fox Station as at the dates and for the periods indicated.

3.12 *No Changes.* Except as disclosed in Schedule 3.12, since December 31, 2001:

(a) there has not been any event, occurrence or development that, individually or in the aggregate with any other adverse changes or developments affecting the Fox Station, has had or would reasonably be likely to have a Fox Material Adverse Effect;

(b) the Fox Business has been operated in the ordinary course of such Fox Business and consistent with past practices;

(c) there has not been any change in any method of accounting or accounting practice with respect to the Fox Business, except for any such change required by reason of a concurrent change in GAAP;

(d) there has not been any increase or change to the rate or nature of the compensation (including wages, salaries and bonuses) that is paid or payable to any Person employed by the Fox Station, except in the ordinary course of the Fox Business and consistent with past practices or pursuant to existing compensation and fringe benefit plans, practices and arrangements that have been disclosed to Meredith prior to the date of this Agreement;

(e) there has not been any damage, destruction or loss, whether or not covered by insurance, with respect to the property and assets of the Fox Station having a replacement cost of more than \$50,000 for any single loss or \$200,000 for all such losses;

(f) Fox has not instituted or settled any material legal proceeding with respect to the Fox Business; and

(g) Fox has not agreed or committed to do anything set forth in Sections 3.12 (c), (d) and (f).

3.13 *No Litigation; Labor Disputes; Compliance with Laws.*

(a) Except as set forth in Schedule 3.13(a)(1), there is no Action pending or, to the Knowledge of Fox, threatened against the Fox Business or any of the Fox Exchanged Assets that would, individually or in the aggregate, reasonably be likely to have a Fox Material Adverse Effect. Except as set forth in Schedule 3.13(a)(2), neither the Fox Business nor the Fox Exchanged Assets are under or subject to any order, award, stipulation, judgment, writ, decree, determination or injunction of any Governmental Authority that would, individually or in the aggregate, reasonably be likely to have a Fox Material Adverse Effect.

(b) Except as disclosed in Schedule 3.13(b), the Fox Business is not subject to or bound by any labor agreement or collective bargaining agreement and there is no labor organization recognized or certified as the exclusive bargaining representative for any unit of employees of the Fox Business. Except as disclosed in Schedule 3.13(b), there is no labor dispute, grievance, controversy, strike or request for union representation pending or, to the Knowledge of Fox, threatened against the Fox Business that would, individually or in the aggregate, reasonably be likely to have a Fox Material Adverse Effect.

(c) Except as disclosed in Schedule 3.13(c), Fox is not in violation of any Law applicable to the Fox Exchanged Assets or the conduct of the Fox Business, except for violations that would not, individually or in the aggregate, reasonably be likely to have a Fox Material Adverse Effect. This Section 3.13(c) does not apply to: (i) real estate matters, which are covered by Section 3.8; (ii) environmental matters, which are covered by Section 3.14; (iii) matters relating to the FCC, which are covered by Section 3.15; and (iv) matters relating to employee benefit plans, which are covered by Section 3.18.

3.14 *Environmental Matters.* Except as set forth in Schedule 3.14:

(a) The Fox Station is in compliance with all Environmental Laws except for such failures to so comply as would not, individually or in the aggregate, reasonably be likely to have a Fox Material Adverse Effect, and Fox has not received any communication (written or oral) from any Person that alleges that the Fox Station is not in compliance with or is liable under Environmental Laws, except for such failures to comply or liabilities as would not, individually or in the aggregate, reasonably be likely to have a Fox Material Adverse Effect.

(b) Except as would not, individually or in the aggregate, reasonably be likely to have a Fox Material Adverse Effect: (i) the Fox Station has obtained or applied for all Environmental Permits necessary for Fox to hold in connection with the conduct by Fox of the Fox Business; (ii) the Fox Station is in compliance with all terms and conditions of the Environmental Permits held by Fox; and (iii) Fox has not been advised by any Governmental Authority of any potential material change in the terms and conditions of any Environmental Permit, either prior to or upon its removal.

(c) To the Knowledge of Fox, there have been no Releases or threatened Releases of any Hazardous Materials that would reasonably be likely to form the basis of any Environmental Claim: (x) relating to the Fox Station; or (y) against any Person whose liability for any such Environmental Claim Fox has or may have retained or assumed either contractually, by operation of law or otherwise, in each case the result of which would, individually or in the aggregate, reasonably be likely to have a Fox Material Adverse Effect.

(d) (i) There are no underground storage tanks located on any Fox Real Property; (ii) there is no asbestos contained in or forming part of any building, building component, structure or office space located on any Fox Real Property; (iii) no polychlorinated biphenyls (“PCBs”) are used or stored on or at any Fox Real Property; and (iv) none of the electrical equipment located at any Fox Real Property contains any PCBs, except in clauses (i) through (iv), above, in amounts that, individually or in the aggregate, would not reasonably be expected to have a Fox Material Adverse Effect.

(e) Notwithstanding any other provision of this Agreement, this Section 3.14 constitutes Fox’s sole and exclusive representation and warranty with respect to environmental matters, Environmental Laws and Hazardous Materials.

3.15 *FCC Matters; Operation and Condition of the Fox Station*

(a) The Fox FCC Licenses are identified in Schedule 1.1(c) and are held by FTS as of the date of this Agreement in accordance with the Fox Station Operating Agreement and the Fox Station License Assignment Agreement. Schedule 1.1(c) also sets forth the expiration date of each Fox FCC License. The Fox FCC Licenses are validly issued and in full force and effect. Except as disclosed on Schedule 1.1(c): (i) no licenses, permits or authorizations of any Governmental Authority other than the FCC are required for the operation of the Fox Station in the manner as conducted as of the date of this Agreement and as of the Closing Date; (ii) such Fox FCC Licenses constitute all of the material licenses and authorizations required under the Communications Act for, and/or used in the conduct of, the Fox Business as operated as of the date of this Agreement and as of the Closing Date; and (iii) neither FTS nor Fox Oregon has any material application or petition relating to the Fox Station pending before the FCC. There is not pending or, to the Knowledge of Fox, threatened any Action by or before the FCC to revoke, restrict, cancel, rescind, modify or deny renewal of any of the material Fox FCC Licenses, and there is not issued, outstanding, pending or, to the Knowledge of Fox, threatened by or before the FCC any order to show cause, notice of violation, notice of apparent liability, notice of forfeiture or complaint relating to the Fox Station. Fox Oregon and FTS are operating the Fox Station in material compliance with the terms of the Fox FCC Licenses and the Communications Act. Complete and correct copies of the Fox FCC Licenses have been made available for inspection by Meredith.

(b) The Fox Station is being operated in all material respects: (A) in accordance with the specifications of the Fox FCC Licenses; and (B) in compliance with all requirements of the Communications Act.

(c) Each report filed by Fox with the FCC relating to the Fox Station was, unless subsequently amended prior to the date of this Agreement, at the time of filing true, correct and complete and such amendment at the time of filing was true, correct and complete.

3.16 *Brokers.* There is no broker, finder, trader, investment banker or other intermediary that has been retained by or is authorized to act on behalf of Fox that might be entitled to any fee or commission in connection with the transactions contemplated by this Agreement.

3.17 *Employees.*

(a) Prior to the date of this Agreement, Fox has provided Meredith with a true and complete list, dated as of a date no more than two (2) days prior to the date of this Agreement, of all individuals employed by the Fox Station (including the Fox Employees), including their names, original date of hire, current rate of compensation, amount of bonus paid during the prior three calendar years (to the extent such information is actually known by Fox), employment status (i.e., active, disabled, on authorized leave and reason therefor), department, title, collective bargaining status and whether they are full time or part time.

(b) Prior to the date of this Agreement, Fox has not received any notice or claim that it has not complied with any laws relating to the employment of labor, including any provisions thereof relating to wages, hours, collective bargaining, the payment of social security and similar taxes, equal employment opportunity, employment discrimination and employment, occupational or workplace safety or that Fox is liable for any arrears of wages or any taxes or penalties for failure to comply with any of the foregoing.

3.18 *Fox Employee Benefit Plans.*

(a) Schedule 3.18(a) sets forth a true, correct and complete list of all of the following, each only to the extent it covers Fox Employees: (i) the employee benefit plans, arrangements or policies subject to ERISA, including, without limitation, any retirement, pension, deferred compensation, profit sharing, savings, health, dental, hearing, vision, drug, life insurance, cafeteria, flexible spending, dependent care, disability plan, policy or arrangement, and any other non-ERISA bonus, commission or incentive programs; (ii) any stock option or equity-based compensation plan; and (iii) any employment or severance agreement, in each case maintained or contributed to by Fox or any of its Affiliates for any Fox Employee or Former Fox Employee (collectively, the “Fox Plans”).

(b) Fox has made available to Meredith a complete and current copy of any employee handbook applicable to Fox Employees and the most recent summary plan description for each Fox Plan.

(c) No event has occurred and no condition exists with respect to any Fox Plan that is reasonably likely to subject Fox or any subsidiary of Fox to any material tax,

fine, penalty or other liability for a “prohibited transaction” under Section 4975 of the Code and Section 406 of ERISA.

(d) With respect to any Fox Plan that is subject to Title IV of ERISA: (i) no liability to the PBGC has been incurred (other than for premiums not yet due); (ii) no notice of intent to terminate any such plan in a “distress termination” under Section 4041 of ERISA has been filed with the PBGC or distributed to participants; (iii) no proceedings to terminate any such Fox Plan have been instituted by the PBGC; (iv) no “accumulated funding deficiency”, within the meaning of Section 412 of the Code or Section 302 of ERISA, whether or not waived, exists; and (v) no Lien has arisen or is expected to arise under Section 412 of the Code or Section 302 of ERISA on the assets of Fox or any subsidiary of Fox.

(e) Except as set forth in Schedule 3.18(e), with respect to the Fox Station, no Fox Plan is a “multi-employer plan” within the meaning of Section 3(37)(A) of ERISA, and Fox will have no outstanding liability with respect to any such Fox Plan (contingent or otherwise).

(f) None of the Fox Transferred Employees (as that term is defined in Section 10.3(b)(i)) are Level I Employees under the BHC Special Severance Plan.

3.19 *Cable Matters.*

(a) Schedule 3.19(a) sets forth for the Fox Station as of the date of this Agreement a list of all Market Cable Systems that carry the Fox Station, noting whether such carriage is by mandatory signal carriage or retransmission consent.

(b) Except as set forth on Schedule 3.19(b), there are no:

(i) Market Cable Systems that do not carry the Fox Station;

(ii) Market Cable Systems that are carrying the Fox Station’s signals and that have given written notice of such Market Cable System’s intention to delete the Fox Station from carriage or to change the Fox Station’s channel position on such cable system;

(iii) written notices received by Fox from any Market Cable System alleging that the Fox Station does not deliver an adequate signal level, as defined in 47 C.F.R. § 76.55(c)(3), to such Market Cable System’s principal headend or receive facility (other than any such notice as to which such failure has been remedied or been determined not to exist);

(iv) pending petitions filed by Fox for special relief to include any additional community or area as part of the Fox Station’s television market, as defined in 47 C.F.R. § 76.55(e); and

(v) pending petitions served on Fox for special relief requesting the deletion of any community or area from the Fox Station’s television market.

(vi) pending petitions served on any Fox Entity requesting a change in the significantly viewed status of the Fox Station.

3.20 *FCC Qualification.* Except as set forth in Schedule 3.20, each of FTS and Fox Oregon, as applicable, is legally, technically, financially and otherwise qualified under the Communications Act to acquire the Meredith FCC Licenses and own and operate the Meredith Stations as contemplated by the Meredith Stations Operating Agreement and the Meredith Stations License Assignment Agreement. Except as set forth in Schedule 3.20 and except for proceedings of general applicability to the television industry, there are no proceedings pending or, to the Knowledge of Fox, threatened in writing, or facts that could reasonably be expected to disqualify Fox under the Communications Act or otherwise from acquiring the Meredith FCC Licenses or owning and operating the Meredith Stations or would cause the FCC not to approve the assignment of the Meredith FCC Licenses to Fox and, immediately thereafter, to FTS. Except as set forth in Schedule 3.20, no waiver of any FCC rule or regulation is necessary to be obtained by Fox and/or its Affiliates for the grant of the FCC Applications for assignment of the Fox FCC Licenses or the Meredith FCC Licenses as provided for in this Agreement, nor will processing pursuant to any exception to a rule of general applicability be requested or required in connection with the consummation by Fox of the transactions contemplated hereby.

3.21 *Taxes.* All federal, state, local and foreign Tax returns and reports required to be filed by Fox or any Affiliate of Fox, where the failure to file such returns and reports on a timely basis could result in a material Lien on the Fox Exchanged Assets or the imposition on Meredith or any Affiliate of Meredith of any material liability for Taxes, have been duly and timely filed in the proper form with the appropriate Governmental Authority. All Taxes, fees and assessments due or payable by Fox 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 Fox Exchanged Assets or the imposition on Meredith or any Affiliate of Meredith of any material liability for Taxes. Except as set forth in Schedule 3.21, there are no Tax audits pending and no outstanding agreements or waivers by Fox extending the statutory period of limitations applicable to any federal, state, local or foreign income Tax return for any period, the result of which could result in a material Lien on the Fox Exchanged Assets or the imposition on Meredith or any Affiliate of Meredith of any material liability for any Taxes.

3.22 *Exclusivity of Representations.* THE REPRESENTATIONS AND WARRANTIES MADE BY FOX IN THIS AGREEMENT ARE IN LIEU OF AND ARE EXCLUSIVE OF ALL OTHER REPRESENTATIONS AND WARRANTIES, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES. FOX HEREBY DISCLAIMS ANY SUCH OTHER OR IMPLIED REPRESENTATIONS OR WARRANTIES, NOTWITHSTANDING THE DELIVERY OR DISCLOSURE TO MEREDITH OR ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR REPRESENTATIVES OF ANY DOCUMENTATION OR OTHER INFORMATION.

Article IV
REPRESENTATIONS AND WARRANTIES OF MEREDITH

Meredith represents and warrants to Fox as follows:

4.1 *Incorporation.*

(a) Meredith is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Iowa with all requisite power and authority to operate the Meredith Stations and carry on its business as now conducted.

(b) The Meredith Exchanged Assets do not include any Persons.

4.2 *Authorization; Enforceability.* The execution, delivery and performance of this Agreement by Meredith and all of the documents and instruments required hereby to which Meredith is a party, and the consummation by Meredith of the transactions contemplated hereby and thereby, are within the corporate power of Meredith and have been duly authorized by all necessary corporate action on the part of Meredith and its stockholders. This Agreement has been duly executed and delivered by Meredith, and at the Closing, such other documents and other instruments required hereby to be executed and delivered by Meredith will be duly executed and delivered by Meredith. This Agreement is a valid and binding obligation of Meredith, enforceable against it in accordance with its terms. Each other document and instrument required hereby to which Meredith is a party will be, when executed and delivered by Meredith, the valid and binding obligation of Meredith, enforceable against Meredith in accordance with its terms.

4.3 *Governmental Authorizations.* The execution, delivery and performance by Meredith of this Agreement and the other documents or instruments contemplated hereby to which Meredith is a party and the consummation by Meredith of the transactions contemplated hereby and thereby require no action by or in respect of, or filing with, any Governmental Authority other than: (i) the FCC; (ii) compliance with any applicable requirements of the HSR Act; and (iii) any such action or filing as to which the failure to make or obtain would not reasonably be likely to have, individually or in the aggregate, a Meredith Material Adverse Effect.

4.4 *No Conflicts.* Neither the execution, delivery or performance of this Agreement by Meredith or the other documents or instruments contemplated hereby to which Meredith is a party does or will, after the giving of notice, or the lapse of time or both, or otherwise:

(a) conflict with, result in a breach of, or constitute a default under, the constituent documents of Meredith;

(b) assuming compliance with the matters referred to in Section 4.3 above, violate any Law applicable to Meredith, or any court or administrative order or process that relates to the ownership or operation of the Meredith Stations or any of the Meredith Exchanged Assets, except for any such violations that would not, individually or in the aggregate, reasonably be likely to have a Meredith Material Adverse Effect;

(c) result in the creation or imposition of any Lien upon any of the Meredith Exchanged Assets that would remain on the Meredith Exchanged Assets after Closing, other than Meredith Permitted Liens, except, as would not, individually or in the aggregate, reasonably be likely to have a Meredith Material Adverse Effect; or

(d) except as set forth on Schedule 4.4(d), require any consent or other action by or notice to any Person under, or constitute a default under, or give rise to any right of termination, cancellation or acceleration of any right or obligation of Meredith or to a loss of any benefit to which Meredith is entitled under, any provision of any agreement or other instrument binding upon the Meredith Stations or by which any of the Meredith Exchanged Assets is or may be bound, except for any such consents, actions, defaults, rights or losses that would not, individually or in the aggregate, reasonably be likely to have a Meredith Material Adverse Effect.

4.5 *Meredith Material Contracts.*

(a) As of the date of this Agreement, the Meredith Contracts listed on Schedule 4.5(a) constitute all of the Meredith Contracts with third parties (whether or not such third parties are Affiliates of Fox):

(i) for the sale of broadcast time for advertising or other purposes for cash that was not made in the ordinary course of the Meredith Businesses consistent with past practice;

(ii) for Meredith Paid Programming;

(iii) with a term of more than six (6) months from the date of this Agreement or that involve payments or receipts over such remaining term of more than \$50,000 with respect to any single agreement and \$200,000 in the aggregate for all such non-disclosed contracts with respect to the Meredith Stations, other than those Meredith Contracts that constitute advertising sales contracts for cash only and that have a term of not more than twelve (12) months which were made in the ordinary course of the Meredith Businesses consistent with past practice;

(iv) involving the purchase, sale or lease of real property;

(v) involving the lease, sublease or similar agreement under which Meredith is a lessor or sublessor of, or makes available for use to any third party: (x) any portion of the Meredith Real Property; or (y) any portion of the premises otherwise occupied by Meredith;

(vi) involving construction, architecture, engineering or other agreements relating to uncompleted construction projects;

(vii) under which Meredith has borrowed any money from, or issued any note, bond, debenture or other evidence of indebtedness to, any third party (including Affiliates) or involving any Financing Leases;

(viii) under which Meredith has, directly or indirectly made any loan, extension of credit (other than in the ordinary course of the Meredith Businesses) or capital contribution to, or investment in, any third party (including to Affiliates), other than to officers and employees of Meredith for travel or business expenses in the ordinary course of the Meredith Businesses;

(ix) constituting a mortgage, pledge or security agreement, deed of trust or other instrument granting a material Lien upon any property of any Meredith Stations;

(x) containing a guarantee or indemnification (other than indemnification obligations made in the ordinary course of the Meredith Businesses consistent with past practices) by Meredith;

(xi) containing confidentiality (other than confidentiality obligations made in the ordinary course of the Meredith Businesses consistent with past practices) or noncompetition restrictions binding on: (A) the Meredith Stations or their employees or consultants and relating to the Meredith Stations; or (B) any of the Affiliates of the Meredith Stations that may bind Fox or its Affiliates as a result of the consummation of the transactions contemplated by this Agreement;

(xii) involving a joint venture or similar agreement with another party with respect to all or any part of the operations of the Meredith Stations;

(xiii) involving any contract, agreement or commitment with any Affiliate of Meredith or any officer, director or employee of Meredith or its Affiliates, provided that all Fox Contracts meeting the standard of this Section 4.5(a)(xiii) are identified on Schedule 4.5(a);

(xiv) involving employment by the Meredith Stations of any employee or consultant; and

(xv) involving any labor agreement or collective bargaining agreement of the Meredith Stations.

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

(c) Meredith has not received written notice of any default under any material Meredith Contract.

(d) Each Meredith Contract is in full force and effect and constitutes the legal and binding obligation of, and is legally enforceable against, Meredith in accordance with its terms and, to the Knowledge of Meredith, 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) except as would not, individually or in the aggregate, reasonably be likely to have a Meredith Material Adverse Effect.

(e) Meredith has made available to Fox prior to the date of this Agreement true and complete copies of all Meredith Contracts listed on Schedule 4.5(a), including all amendments, modifications and supplements thereto, and any assignments thereof, and Schedule 4.5(e) contains summaries of the provisions of all material oral Meredith Contracts.

(f) Schedule 4.5(f) includes an accurate and complete list of all Meredith Tradeout Agreements and sets forth for each Meredith Tradeout Agreement the parties thereto, the value of broadcast time required to be provided on the Meredith Stations from and after December 31, 2001 and the value of goods and services to be provided to the Meredith Stations from and after such date.

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

(h) Schedule 4.5(h) is a list, as of the date of this Agreement, of all Meredith Contracts relating to Meredith Program Rights, true and complete copies of which have been made available to Fox prior to the date of this Agreement together with a summary as of such date, prepared to the Knowledge of Meredith, of: (i) the estimated number of plays remaining under each such Meredith Contract as of February 28, 2002; (ii) the estimated number of plays taken under each such Meredith Contract as of February 28, 2002; (iii) the start and end dates of each such Meredith Contract as of February 28, 2002; (iv) total payments required to be made as of June 30, 2001 under each such Meredith Contract; and (v) total payments required to be made from and after June 30, 2001 under each such Meredith Contract.

(i) No party to any Meredith Contract has (x) made or asserted in writing, any defense, setoff or counterclaim under such Meredith Contract; and (y) exercised any option granted to it to cancel or terminate any Meredith Contract or to shorten the term thereof, except, in each case, as would not, individually or in the aggregate, reasonably be likely to have a Meredith Material Adverse Effect.

4.6 *Intangible Property.* Except as set forth in Schedule 4.6:

(a) There are no claims, demands or proceedings instituted, pending or, to the Knowledge of Meredith, threatened by any third party pertaining to or challenging Meredith's right to use any of the Meredith Intangible Property, except for any such claims, demands or proceedings as would not, individually or in the aggregate, reasonably be likely to have a Meredith Material Adverse Effect.

(b) To the Knowledge of Meredith, there is no trademark, trade name, patent or copyright owned by a third party that Meredith is using in any of the Meredith

Businesses without license to do so except for such failures to hold licenses as would not, individually or in the aggregate, reasonably be likely to have a Meredith Material Adverse Effect.

(c) Except for the Meredith Retained Assets, the Meredith Intangible Property constitutes all Meredith Copyrights, Meredith Trademarks and rights in and to call letters necessary for or used in the operation of the Meredith Stations (other than copyrights and trademarks with respect to television programming licensed to the Meredith Stations).

(d) All material Meredith Intangible Property has been duly registered with and registrations therefor issued by, or registrations therefor have been duly applied for with, as applicable, the appropriate Governmental Authority where such registrations and issuances or applications are necessary for the Meredith Businesses as conducted on the date of this Agreement, and all such registrations and issuances are valid and in good standing.

(e) Except for the Meredith Retained Assets, all material Meredith Copyrights and Meredith Trademarks that are registered or for which registration applications have been filed are described, listed or set forth on Schedules 4.6(e)(1) and 4.6(e)(2), respectively, all of which are transferable to Fox without the consent of any third party.

4.7 *Title to Meredith Exchanged Assets; Liens.* Meredith has good title to or valid leasehold interests in all of the Meredith Exchanged Assets (other than the Meredith Real Property, as to which the provisions of Section 4.8 apply), free and clear of any and all Liens (other than Meredith Permitted Liens). At the Closing all of the Meredith Exchanged Assets shall be transferred to Fox free and clear of any and all Liens (other than Meredith Permitted Liens and Liens created by Fox).

4.8 *Real Property.*

(a) Meredith has good, marketable and insurable fee simple absolute title or valid leasehold interests, as applicable, in the Meredith Real Property, free and clear of any and all Liens (other than Meredith Permitted Liens). Meredith does not own, lease, sublease, license or use any real property in the operation of the Meredith Stations other than the Meredith Real Property. Upon the consummation of the Closing, all right, title and interest of Meredith in, to and under the Meredith Leases and the Meredith Real Property will be transferred to Fox free and clear of any and all Liens (other than Meredith Permitted Liens and Liens created by Fox).

(b) Meredith has not received written notice of, or otherwise has Knowledge of, any pending condemnation or similar proceeding affecting the Meredith Real Property or any portion thereof, and, to the Knowledge of Meredith, no such condemnation or similar proceeding is presently contemplated or threatened that would, individually or in the aggregate, reasonably be likely to have a Meredith Material Adverse Effect.

(c) Except as disclosed on Schedule 4.8(c) and Schedule 1.1(q), there are no parties in possession of any portion of the Meredith Real Property other than Meredith, whether as lessees or tenants at will.

(d) The current use of the Meredith Real Property does not, and all parts thereof as aforesaid do not, violate any restrictive covenants affecting the Meredith Real Property or otherwise violate any Law, except for violations that would not, individually or in the aggregate, reasonably be likely to have a Meredith Material Adverse Effect. There are no facts that would prevent any portion of the Meredith Real Property from being occupied after the Closing in substantially the same manner as currently occupied.

(e) As of the date of this Agreement, there is no Law in existence, the operation of which would require Meredith to make any material expenditure to modify or improve any of the Meredith Real Property to bring such Meredith Real Property into substantial compliance therewith.

(f) The Meredith Real Property has reasonably adequate access to and from completed, dedicated and accepted public roads, and there is no pending or, to the Knowledge of Meredith, threatened Action that would materially impair or curtail such access. All towers, guy anchors, buildings and other improvements included in the Meredith Exchanged Assets are wholly within the lot limits of the applicable Meredith Real Property and do not encroach on any adjoining premises, and there are no encroachments on any portion of the Meredith Real Property by any improvements located on any adjoining premises, except for such encroachments as would not, individually or in the aggregate, reasonably be likely to have a Meredith Material Adverse Effect.

(g) There are no structural, electrical, mechanical, plumbing, air conditioning, heating or other defects in the buildings located on the Meredith Real Property, and the roofs of the buildings located on the Meredith Real Property are free from leaks and in good condition, except for such defects and leaks that would not, individually or in the aggregate, reasonably be likely to have a Meredith Material Adverse Effect.

(h) All amounts owing to any architect, contractor, subcontractor or materialman for labor or materials performed, rendered or supplied to or in connection with the Meredith Real Property have been or shall have been paid prior to Closing.

4.9 *Condition of Meredith Equipment.* Except as set forth in Schedule 4.9, each material item of Meredith Equipment is in good condition and repair for its current use, ordinary wear and tear excepted, and is not in need of imminent repair or replacement, and those material items of Meredith Equipment constituting transmitting and studio equipment are operating in accordance with standards of good engineering practice in the television broadcasting industry. Except as set forth on Schedule 4.9, all material operating systems and computer software included in the Meredith Exchanged Assets are: (x) operating satisfactorily for the task to which they are being applied, and in accordance with all vendor warranties and vendor-supplied user documentation; (y) reasonably capable of handling existing and currently contemplated work volumes; and (z) not in imminent need of upgrade, enhancement or replacement.

4.10 *Meredith Exchanged Assets.* Except for: (x) the Meredith Retained Assets; and (y) assets, properties and rights that are disposed of or consumed in the ordinary course of the Meredith Businesses since the date of this Agreement in a manner permitted by this Agreement,

the Meredith Exchanged Assets include all of the assets, properties and rights of every type and description, real, personal and mixed, tangible and intangible, that are necessary to the continued conduct of the applicable Meredith Businesses by Fox in all material respects in the same manner as such Meredith Businesses are conducted as of the date of this Agreement.

4.11 *Financial Statements.* Attached as Schedule 4.11(a)(1) are true and complete copies of the unaudited balance sheets as at December 31, 2001 of each of the Meredith Stations (collectively, the “Meredith Base Balance Sheets”), and the related statements of income and broadcast cashflows for the twelve month period ended December 31, 2001 (collectively, the “Meredith Financial Statements”). The Meredith Financial Statements: (A) are in accordance with the Meredith Base Balance Sheets and the books and records of the Meredith Stations; (B) have been prepared in accordance with GAAP except: (i) as set forth on Schedule 4.11(a)(2); and (ii) that such financial statements do not contain all of the footnote disclosures required by GAAP; and (C) present fairly in all material respects the financial condition of the Meredith Stations and the broadcast cashflows of the Meredith Stations as at the dates and for the periods indicated.

4.12 *No Changes.* Except as disclosed in Schedule 4.12, since December 31, 2001:

(a) there has not been any event, occurrence or development that, individually or in the aggregate with any other adverse changes of developments affecting the Meredith Stations, has had or would reasonably be likely to have a Meredith Material Adverse Effect;

(b) each of the Meredith Businesses have been operated in the ordinary course of such Meredith Businesses and consistent with past practice except as described in Schedule 4.20;

(c) there has not been any change in any method of accounting or accounting practice with respect to the Meredith Businesses, except for any such change required by reason of a concurrent change in GAAP;

(d) there has not been any increase or change to the rate or nature of the compensation (including wages, salaries and bonuses) that is paid or payable to any Person employed by either of the Meredith Stations, except in the ordinary course of the applicable Meredith Businesses and consistent with past practices or pursuant to existing compensation and fringe benefit plans, practices and arrangements that have been disclosed to Fox prior to the date of this Agreement;

(e) there has not been any damage, destruction or loss, whether or not covered by insurance, with respect to the property and assets of the Meredith Stations having a replacement cost of more than \$50,000 for any single loss or \$200,000 for all such losses;

(f) Meredith has not instituted or settled any material legal proceeding with respect to the Meredith Businesses; and

(g) Meredith has not agreed or committed to do anything set forth in Sections 4.12(c), (d) and (f).

4.13 *No Litigation; Labor Disputes; Compliance with Laws.*

(a) Except as set forth in Schedule 4.13(a)(1), there is no Action pending or, to the Knowledge of Meredith, threatened, against any of the Meredith Businesses or any of the Meredith Exchanged Assets that would, individually or in the aggregate, reasonably be likely to have a Meredith Material Adverse Effect. Except as set forth in Schedule 4.13(a)(2), none of the Meredith Businesses or the Meredith Exchanged Assets are under or subject to any order, award, stipulation, judgment, writ, decree, determination or injunction of any Governmental Authority that would, individually or in the aggregate, reasonably be likely to have a Meredith Material Adverse Effect.

(b) Except as set forth in Schedule 4.13(b), the Meredith Businesses are not subject to or bound by any labor agreement or collective bargaining agreement, and there is no labor organization recognized or certified as the exclusive bargaining representative for a unit of employees of the Meredith Businesses. There is no labor dispute, grievance, controversy, strike or request for union representation pending or, to the Knowledge of Meredith, threatened against the Meredith Businesses that would, individually or in the aggregate, reasonably be likely to have a Meredith Material Adverse Effect.

(c) Except as set forth in Schedule 4.13(c), Meredith is not in violation of any Law applicable to the Meredith Exchanged Assets or the conduct of the Meredith Businesses, except for violations that would not, individually or in the aggregate, reasonably be likely to have a Meredith Material Adverse Effect. This Section 4.13(c) does not apply to: (i) real estate matters, which are covered by Section 4.8; (ii) environmental matters, which are covered by Section 4.14; (iii) matters relating to the FCC, which are covered by Section 4.15; and (iv) matters relating to employee benefit plans, which are covered by Section 4.18.

4.14 *Environmental Matters.* Except as set forth in Schedule 4.14:

(a) The Meredith Stations are in compliance with all Environmental Laws except for such failures to so comply as would not, individually or in the aggregate, reasonably be likely to have a Meredith Material Adverse Effect, and Meredith has not received any communication (written or oral) from any Person that alleges that either of the Meredith Stations is not in compliance with or is liable under Environmental Laws, except for such failures to comply or liabilities as would not, individually or in the aggregate, reasonably be likely to have a Meredith Material Adverse Effect.

(b) Except as would not, individually or in the aggregate, reasonably be likely to have a Meredith Material Adverse Effect: (i) the Meredith Stations have obtained or applied for all Environmental Permits necessary for such Meredith Stations to hold in connection with the conduct by Meredith of the applicable Meredith Businesses; (ii) the Meredith Stations are in compliance with all terms and conditions of the Environmental Permits held by such Meredith Stations; and (iii) Meredith has not been advised by any Governmental Authority of any potential material change in the terms and conditions of any Environmental Permit, either prior to or upon its removal.

(c) To the Knowledge of Meredith, there have been no Releases or threatened Releases of any Hazardous Materials that would reasonably be likely to form the basis of any Environmental Claim: (x) relating to the Meredith Stations; or (y) against any Person whose liability for any such Environmental Claim Meredith has or may have retained or assumed either contractually, by operation of law or otherwise, in each case the result of which would, individually or in the aggregate, reasonably be likely to have a Meredith Material Adverse Effect.

(d) (i) There are no underground storage tanks located on any Meredith Real Property; (ii) there is no asbestos contained in or forming part of any building, building component, structure or office space located on any Meredith Real Property; (iii) no PCBs are used or stored on or at any Meredith Real Property; and (iv) none of the electrical equipment located at any Meredith Real Property contains any PCBs, except in clauses (i) through (iv) above, in amounts that, individually or in the aggregate, would not reasonably be expected to have a Meredith Material Adverse Effect.

(e) Notwithstanding any other provision of this Agreement, this Section 4.14 constitutes Meredith's sole and exclusive representation and warranty with respect to environmental matters, Environmental Laws and Hazardous materials.

4.15 *FCC Matters; Operation and Condition of the Meredith Stations.*

(a) The Meredith FCC Licenses are identified in Schedule 1.1(m) and are held by Meredith. Schedule 1.1(m) also sets forth the expiration date of each Meredith FCC License. The Meredith FCC Licenses are validly issued and in full force and effect. Except as disclosed on Schedule 1.1(m): (i) no licenses, permits or authorizations of any Governmental Authority other than the FCC are required for the operation of the Meredith Stations in the manner as conducted as of the date of this Agreement and as of the Closing Date; (ii) such Meredith FCC Licenses constitute all of the material licenses and authorizations required under the Communications Act for, and/or used in the conduct of, the Meredith Businesses as operated as of the date of this Agreement and as of the Closing Date; and (iii) Meredith has no material application or petition relating to the Meredith Stations pending before the FCC. There is not pending or, to the Knowledge of Meredith, threatened any Action by or before the FCC to revoke, restrict, cancel, rescind, modify or deny renewal of any of the material Meredith FCC Licenses, and there is not issued, outstanding, pending or, to the Knowledge of Meredith, threatened by or before the FCC any order to show cause, notice of violation, notice of apparent liability, notice of forfeiture or complaint relating to the Meredith Stations. Meredith is operating the Meredith Stations in material compliance with the terms of the Meredith FCC Licenses and the Communications Act. Complete and correct copies of the Meredith FCC Licenses have been made available for inspection by Fox.

(b) The Meredith Stations are being operated in all material respects: (A) in accordance with the specifications of the applicable Meredith FCC License; and (B) in compliance with all requirements of the Communications Act.

(c) Each report filed by Meredith with the FCC relating to the Meredith Stations was, unless subsequently amended prior to the date of this Agreement, at the time of filing true, correct and complete and such amendment at the time of filing was true, correct and complete.

4.16 *Brokers.* There is no broker, finder, trader, investment banker or other intermediary that has been retained by or is authorized to act on behalf of Meredith that might be entitled to any fee or commission in connection with the transactions contemplated by this Agreement.

4.17 *Employees.* (a) Prior to the date of this Agreement, Meredith has provided Fox with a true and complete list, dated as of a date no more than two (2) days prior to the date of this Agreement, of all individuals employed by the Meredith Stations (including the Meredith Employees), including their names, original date of hire, current rate of compensation, amount of bonus paid during the prior three calendar years (to the extent such information is actually known by Meredith), employment status (i.e., active, disabled, on authorized leave and reason therefore), department, title, and whether they are full time or part time.

(b) Prior to the date of this Agreement, Meredith has not received any notice or claim that it has not complied with any laws relating to the employment of labor, including any provisions thereof relating to wages, hours, collective bargaining, the payment of social security and similar taxes, equal employment opportunity, employment discrimination and employment, occupational or workplace safety or that Meredith is liable for any arrears of wages or any taxes or penalties for failure to comply with any of the foregoing.

4.18 *Meredith Employee Benefit Plans.*

(a) Schedule 4.18(a) sets forth a true, correct and complete list of all of the following, each only to the extent it covers Meredith Employees: (i) the employee benefit plans, arrangements or policies subject to ERISA, including, without limitation, any retirement, pension, deferred compensation, profit sharing, savings, health, dental, hearing, vision, drug, life insurance, cafeteria, flexible spending, dependent care, disability plan, policy or arrangement, and any other non-ERISA bonus, commission or incentive program; (ii) any stock option or equity-based compensation plan; and (iii) any employment or severance agreement, in each case maintained or contributed to by Meredith or any of its Affiliates for any Meredith Employee or Former Meredith Employee (collectively, the “Meredith Plans”).

(b) Meredith has made available to Fox a complete and current copy of any employee handbook applicable to Meredith Employees and the most recent summary plan description for each Meredith Plan.

(c) No event has occurred and no condition exists with respect to any Meredith Plan that is reasonably likely to subject Meredith or any subsidiary of Meredith to any material tax, fine, penalty or other liability for a “prohibited transaction” under Section 4975 of the Code and Section 406 of ERISA.

(d) With respect to any Meredith Plan that is subject to Title IV of ERISA: (i) no liability to the PBGC has been incurred (other than for premiums not yet due); (ii) no notice of intent to terminate any such plan in a “distress termination” under Section 4041 of ERISA has been filed with the PBGC or distributed to participants; (iii) no proceedings to terminate any such Meredith Plan have been instituted by the PBGC; (iv) no “accumulated funding deficiency”, within the meaning of Section 412 of the Code or Section 302 of ERISA, whether or not waived, exists; and (v) no Lien has arisen or is expected to arise under Section 412 of the Code or Section 302 of ERISA on the assets of Meredith or any subsidiary of Meredith.

(e) With respect to the Meredith Stations, no Meredith Plan is a “multiemployer plan” within the meaning of Section 3(37)(A) of ERISA, and Meredith will have no outstanding liability with respect to any such Meredith Plan (contingent or otherwise).

4.19 *Cable Matters.*

(a) Schedule 4.19(a) sets forth for the Meredith Stations as of the date of this Agreement a list of all Market Cable Systems that carry the Meredith Stations noting whether such carriage is by mandatory signal carriage or retransmission consent.

(b) Except as set forth on Schedule 4.19(b), there are no:

(i) Market Cable Systems that do not carry the Meredith Stations;

(ii) Market Cable Systems that are carrying a Meredith Station’s signal and that have given written notice of such Market Cable System’s intention to delete such Meredith Station from carriage or to change such Meredith Station’s channel position on such cable system;

(iii) written notices received by Meredith from any Market Cable System alleging that a Meredith Station does not deliver an adequate signal level, as defined in 47 C.F.R. § 76.55(c)(3), to such Market Cable System’s principal headend or receive facility (other than any such notice as to which such failure has been remedied or been determined not to exist);

(iv) pending petitions filed by Meredith for special relief to include any additional community or area as part of any Meredith Station’s television market, as defined in 47 C.F.R. § 76.55(e); and

(v) pending petitions served on Meredith for special relief requesting the deletion of any community or area from any Meredith Station’s television market.

(vi) pending petitions served on Meredith requesting a change in the significantly viewed status of the Meredith Stations.

4.20 *FCC Qualification.* Except as set forth in Schedule 4.20, Meredith is legally, technically, financially and otherwise qualified under the Communications Act to acquire the

Fox FCC Licenses and own and operate the Fox Station. Except as set forth in Schedule 4.20 and except for proceedings of general applicability to the television industry, there are no proceedings pending or, to the Knowledge of Meredith, threatened in writing, or facts that could reasonably be expected to disqualify Meredith under the Communications Act or otherwise from acquiring the Fox FCC Licenses or owning and operating the Fox Station or would cause the FCC not to approve the assignment of the Fox FCC Licenses to Meredith. Except as set forth in Schedule 4.20, no waiver of any FCC rule or regulation is necessary to be obtained by Meredith and/or its Affiliates for the grant of the FCC Applications for assignment of the Meredith FCC Licenses or the Fox FCC Licenses as provided for in this Agreement, nor will processing pursuant to any exception to a rule of general applicability be requested or required in connection with the consummation by Meredith of the transactions contemplated hereby.

4.21 *Taxes.* All federal, state, local and foreign Tax returns and reports required to be filed by Meredith or any Affiliate of Meredith, where the failure to file such returns and reports on a timely basis could result in a material Lien on the Meredith Exchanged Assets or the imposition on Fox or any Affiliate of Fox of any material liability for Taxes, have been duly and timely filed in the proper form with the appropriate Governmental Authority. All Taxes, fees and assessments due or payable by Meredith 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 Meredith Exchanged Assets or the imposition on Fox or any Affiliate of Fox of any material liability for Taxes. Except as set forth in Schedule 4.21, there are no Tax audits pending and no outstanding agreements or waivers by Meredith extending the statutory period of limitations applicable to any federal, state, local or foreign income Tax return for any period, the result of which could result in a material Lien on the Meredith Exchanged Assets or the imposition on Fox or any Affiliate of Fox of any material liability for any Taxes.

4.22 *Exclusivity of Representations.* THE REPRESENTATIONS AND WARRANTIES MADE BY MEREDITH IN THIS AGREEMENT ARE IN LIEU OF AND ARE EXCLUSIVE OF ALL OTHER REPRESENTATIONS AND WARRANTIES, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES. MEREDITH HEREBY DISCLAIMS ANY SUCH OTHER OR IMPLIED REPRESENTATIONS OR WARRANTIES, NOTWITHSTANDING THE DELIVERY OR DISCLOSURE TO FOX OR ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR REPRESENTATIVES OF ANY DOCUMENTATION OR OTHER INFORMATION.

Article V
COVENANTS OF FOX

Fox agrees that:

5.1 *Operations Pending Closing.* Except as otherwise set forth herein and subject to the provisions of Section 7.3 regarding control of the Fox Station after the date of this Agreement and prior to the Closing Fox shall:

(a) operate the Fox Station in the ordinary course of the Fox Business and consistent with past practices and use commercially reasonable efforts to preserve substantially intact the relationships of the Fox Station with its customers, employees, suppliers, licensors, licensees, distributors and others with whom the Fox Station deals; provided, that in the case of the Fox Station's employees, Fox shall not be obligated to pay any retention bonus, incentive or other compensation to any employee, other than compensation in the ordinary course of business;

(b) operate the Fox Station in material compliance with the Communications Act and the Fox FCC Licenses;

(c) not make any change in any method of accounting or accounting practice utilized in the preparation of the Fox Financial Statements, except for any such change required by reason of a concurrent change in GAAP.

(d) maintain the Fox Equipment in good operating condition for its current use, wear and tear and ordinary usage excepted, and replace with a substantially equivalent asset of substantially equivalent quality or utility any of the Fox Equipment that shall be worn out, lost, stolen or destroyed, which Fox Equipment would have been replaced in the ordinary course of the Fox Business and consistent with past practices;

(e) (i) not hire any Person; (ii) not increase or otherwise change the rate or nature of the compensation (including wages, salaries and bonuses) that is paid or payable to any Person employed by the Fox Station, except in the ordinary course of the Fox Business consistent with past practices, but in no event may any such increase exceed 4% of the base salary of any such Person paid during the year ended December 31, 2001; (iii) except as set forth on Schedule 5.1(e), not enter into or renew any employment or consulting agreement or other contract or arrangement with respect to the performance of personal services for the Fox Station; or (iv) agree or commit to do any of the foregoing;

(f) except with Meredith's prior written consent, such consent not to be unreasonably withheld or delayed: (A) not enter into, or become obligated under, any agreement or commitment on behalf of the Fox Station except for: (x) any individual Fox Program Rights agreement with a term of six (6) months or less or that involve payments or receipts of \$100,000 or less; provided, however, that in no event may Fox enter into Fox Program Rights agreements that in the aggregate involve payments or receipts of \$500,000 or more without Meredith's prior written consent; and (y) any other agreement or commitment (other than advertising sales contracts for cash only) with a term of six

(6) months or less or that involve payments or receipts of \$50,000 or less, unless permitted elsewhere in this Section 5.1 and except for the agreements set forth on Schedule 5.1(f); provided, however, that in no event may Fox enter into such other agreements or commitments that in the aggregate involve payments or receipts of \$200,000 or more without Meredith's prior written consent; or (B) not change, amend, terminate or otherwise modify or agree or commit to change, amend, terminate or modify any Fox Contract (other than advertising sales contracts for cash only and with a term of no more than twelve (12) months) in any material respect except for those Fox Contracts that terminate or expire prior to the Effective Time by their own terms; provided, however: (i) that except as set forth on Schedule 5.1(f), Fox will not enter into or agree or commit to enter into any agreements or transactions on behalf of the Fox Station with Affiliates of Fox or other divisions of Fox without Meredith's prior written consent, such consent not to be unreasonably withheld or delayed; and (ii) that except as contemplated by Section 8.2(f), the Fox Station will not change, amend, terminate or otherwise modify or agree or commit to change, amend, terminate or otherwise modify its network affiliation agreement in any respect without Meredith's prior written consent;

(g) not enter into or agree or commit to enter into any agreement to sell, purchase or encumber any parcel of Fox Real Property;

(h) without limiting the restrictions contained in Section 5.1(f), keep Meredith apprised of material developments in negotiations for existing and proposed Fox Program Rights agreements and promptly provide Meredith with copies of all Fox Program Rights agreements affecting the Fox Station;

(i) use their commercially reasonable efforts to air the advertising contemplated under any Fox Tradeout Agreement relating to the Fox Station to the fullest extent practicable prior to the Closing;

(j) not enter into or agree or commit to enter into any new Fox Tradeout Agreement relating to the Fox Station prior to Closing without the prior written consent of Meredith, which consent shall not be unreasonably withheld or delayed;

(k) promptly notify Meredith of the entry into any Fox Program Rights agreement and Fox Paid Programming Agreement, whether or not covered by Section 5.1(f), utilize the Fox Program Rights and air Fox Paid Programming only in the ordinary course of the Fox Business and consistent with past practice and not sell or otherwise dispose of any such Fox Program Rights; and make payments on Fox Program Rights and agreements on a basis consistent with past practice and otherwise in accordance with this Agreement;

(l) use their commercially reasonable best efforts to take all appropriate, reasonable action to protect the present service areas of the Fox Station from increased electrical interference from other stations, existing or proposed, and to exercise commercially reasonable best efforts to maintain carriage, if any, of the Fox Station's signals on the Fox Station's Market Cable System;

(m) not adopt or agree or commit to adopt any Fox Plan or other pension, profit sharing, deferred compensation or similar plan, program or trust on behalf of personnel of the Fox Station, or modify or agree or commit to modify the existing Fox Plans insofar as they relate to personnel of the Fox Station, other than any adoptions or modifications or agreements or commitments to make any adoptions or modifications that apply to similarly situated employees of Fox;

(n) promptly notify Meredith of any attempted or actual collective bargaining organizing activity with respect to any employees of the Fox Station; and shall, to the extent permitted by applicable Law, refrain from entering into any new collective bargaining agreement applicable to any employees of the Fox Station that provides such agreement shall be binding upon any “successor” employer of such employees;

(o) follow the Fox Station’s usual and customary policy with respect to: (A) extending credit for sales of broadcast time on the Fox Station; and (B) collecting accounts receivable relating to the Fox Station arising from such extension of credit;

(p) make commercially reasonable efforts to: (x) promote and advertise the Fox Station; and (y) promote and advertise, including on-air promotion and advertising, any program that is currently airing on the Fox Station, in each case consistent with past practices and current economic conditions;

(q) not make or agree or commit to make any capital expenditure greater than \$5,000 in connection with any particular project or greater than \$50,000 in total, without the prior written consent of Meredith, which consent shall not be unreasonably withheld or delayed;

(r) not cause or permit, or agree or commit to cause or permit, by act or failure to act, any of the Fox FCC Licenses to expire or to be revoked, suspended or adversely modified, or take or fail to take, any action that would reasonably be likely to cause the FCC or any other Governmental Authority to institute proceedings for the suspension, revocation or adverse modification of any of the Fox FCC Licenses;

(s) promptly provide Meredith with copies of all material correspondence with cable systems and satellite carriers concerning must carry status, retransmission consent and other material matters arising under the Cable Television Consumer Protection and Competition Act of 1992, as amended (the “Cable Act”) and the Satellite Home Viewer Improvement Act of 1999 relating to the Fox Station, and keep Meredith advised of the status of material developments in all negotiations with cable systems and satellite carriers concerning such matters.

5.2 *Access.*

(a) From and after the date hereof, until the earlier of the termination of this Agreement in accordance with the terms of this Agreement and the Closing Date, upon reasonable prior notice to Fox, Fox shall give Meredith and its authorized agents, officers and representatives reasonable access to the Fox Station and the Fox Exchanged Assets to conduct such examination and investigation of the Fox Station and the Fox Exchanged

Assets as Meredith reasonably requests, provided, however, that such examinations shall be during normal business hours, shall be on reasonable advance notice, shall not unreasonably interfere with the Fox Station's operations and activities and shall not be in violation of Section 7.3 hereof concerning "control." Notwithstanding the foregoing, Meredith shall not have access to personnel records of Fox relating to individual performance or evaluation records, medical histories or other information that in Fox's good faith opinion the disclosure of which could subject Fox to risk of liability.

(b) From the Closing Date and for a period of three (3) years thereafter, Fox will afford, upon reasonable prior notice, Meredith and its authorized agents, officers and representatives reasonable access to its properties, books, records, employees and auditors relating to the Meredith Stations to the extent reasonably necessary to permit Meredith to determine any matter relating to its rights and obligations hereunder or with respect to any matter relating to any time prior to the consummation of the Closing; provided, however, that such examinations shall be during normal business hours, shall be on reasonable advance notice and shall not unreasonably interfere with the Meredith Stations' operations and activities. For a period of three (3) years after the Closing Date, if Fox shall desire to dispose of any books and records relating to the Meredith Stations attributable to any period prior to the Closing Date, Fox shall, prior to such disposition, give Meredith a reasonable opportunity, at Meredith's expense, to segregate and remove such books and records as Meredith may select. Meredith will hold, and will cause its authorized agents, officers and representatives to hold, in confidence, unless compelled to disclose by judicial or administrative process or by other requirements of Law, all confidential documents and information concerning Fox or the Meredith Businesses provided to it or them pursuant to this Section 5.2(b).

5.3 *Title Insurance and Surveys.* From and after the date hereof until the earlier of the termination of this Agreement in accordance with the terms of this Agreement and the Closing Date, Fox shall cooperate with Meredith (provided that Fox shall not be required to pay any consideration to Meredith or any third party) so that Meredith can promptly obtain the following:

(a) With respect to the Fox Real Property, preliminary reports on title covering a date subsequent to the date of this Agreement, issued by the Meredith Title Company, which preliminary reports shall contain commitments (the "Fox Title Commitments") of the Meredith Title Company to issue an ALTA title insurance policy or policies (the "Fox Title Policy") insuring interests of Meredith in each parcel of the Fox Real Property. The Fox Title Commitments shall be subject only to Fox Permitted Liens. Fox shall cooperate in endeavoring to delete all standard exceptions from the Fox Title Policy.

(b) Surveys of the Fox Real Property as of a date subsequent to the date of this Agreement that shall reflect: (A) no Liens, except Fox Permitted Liens; and (B) access to each such parcel from a public street or indirect access to a public street over recorded easements.

(c) The expenses incurred in connection with the fulfillment of the obligations referred to in Sections 5.3(a) and 5.3(b) shall be paid by Meredith.

5.4 *Financial and FCC Reports.* Within thirty (30) 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, Fox will cause to be furnished to Meredith a copy of the monthly unaudited financial reports for the Fox 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 Meredith within ten (10) days after filing all reports, applications and correspondence filed with the FCC with respect to the Fox 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 financial statements set forth in Section 3.11. All of the foregoing FCC reports, applications and correspondence shall comply with the Communications Act and shall be true, correct and complete in all material respects.

5.5 *Public Notice of Fox FCC Licenses Assignments.* FTS shall publish and broadcast a public notice concerning the filing of the application for assignment of the Fox FCC Licenses in accordance with the requirements of Section 73.3580 of the FCC's Rules and shall provide Meredith with proof of publication and broadcast of such notice within ten (10) Business Days of its completion.

5.6 *Employees.* Fox will deliver to Meredith an updated list, dated as of a date no more than five (5) days prior to the Closing Date, of all individuals employed by the Fox Station, other than the employees of the Fox Station listed on Schedule 5.6 (collectively, the "Fox Retained Employees"), including their names, original date of hire, current rate of compensation, employment status (i.e., active, disabled, on leave and reason therefor), department, title, collective bargaining status and whether they are full-time or part-time.

5.7 *Fox Cooperation/KPDX Affiliation/KPTV Affiliation.* At Meredith's reasonable request, Fox, at no cost or expense to Fox or its Affiliates, shall cooperate with Meredith in its discussions with the UPN Network to switch KPDX(TV)'s current affiliation to an affiliation with the UPN Network. In addition, at Meredith's request, Fox shall (i) cause its Affiliate to exercise, concurrently but immediately before the Closing, such Affiliate's contractual right, which Affiliate has such contractual right, to terminate the affiliation term of the UPN Affiliation Agreement as it applies to the Fox Station as referred to in Section 8.2(f) and (ii) request the UPN Network to shorten the six (6) month "tail" period applicable to the exercise by Fox's Affiliate of such termination right.

Article VI COVENANTS OF MEREDITH

Meredith agrees that:

6.1 *Operations Pending Closing.* Except as otherwise set forth herein and subject to the provisions of Section 7.3 regarding control of the Meredith Stations after the date of this Agreement and prior to the Closing, Meredith shall:

(a) operate the Meredith Stations in the ordinary course of the Meredith Businesses and consistent with past practices and use commercially reasonable efforts to preserve substantially intact the relationships of the Meredith Stations with their

customers, employees, suppliers, licensors, licensees, distributors and others with whom the Meredith Stations deal; provided, that in the case of the Meredith Stations' employees, Meredith shall not be obligated to pay any retention bonus, incentive or other compensation to any employee, other than compensation in the ordinary course of business;

(b) operate the Meredith Stations in material compliance with the Communications Act and the Meredith FCC Licenses;

(c) not make any change in any method of accounting or accounting practice utilized in the preparation of the Meredith Financial Statements, except for any such change required by reason of a concurrent change in GAAP;

(d) maintain the Meredith Equipment in good operating condition for its current use, wear and tear and ordinary usage excepted, and replace with a substantially equivalent asset of substantially equivalent quality or utility any of the Meredith Equipment that shall be worn out, lost, stolen or destroyed, which Meredith Equipment would have been replaced in the ordinary course of the Meredith Businesses and consistent with past practices;

(e) (i) not hire any Person; (ii) not increase or otherwise change the rate or nature of the compensation (including wages, salaries and bonuses) that is paid or payable to any Person employed by the Meredith Stations, except in the ordinary course of the Meredith Businesses consistent with past practices, but in no event may any such increase exceed 4% of the base salary of any such Person paid during the year ended December 31, 2001; (iii) except as set forth on Schedule 6.1(e), not enter into or renew any employment or consulting agreement or other contract or arrangement with respect to the performance of personal services for the Meredith Stations; or (iv) agree or commit to do any of the foregoing;

(f) except as set forth on Schedule 6.1(f) and except with Fox's prior written consent, such consent not to be unreasonably withheld or delayed: (A) not enter into, or become obligated under, any agreement or commitment on behalf of the Meredith Stations except for: (x) any individual Meredith Program Rights agreements with a term of six (6) months or less or that involve payments or receipts of \$100,000 or less, unless permitted elsewhere in this Section 6.1 and except for the Agreements set forth on Schedule 6.1(f); provided, however, that in no event may Meredith enter into Meredith Program Rights agreements that in the aggregate involve payments or receipts of \$500,000 or more without Fox's prior written consent; and (y) any other agreement or commitment (other than advertising sales contracts for cash only) with a term of six (6) months or less or that involve payments or receipts of \$50,000 or less; provided, however, that in no event may Meredith enter into such other agreements or commitments that in the aggregate involve payments or receipts of \$200,000 or more without Fox's prior written consent; or (B) not change, amend, terminate or otherwise modify or agree or commit to change, amend, terminate or otherwise modify any Meredith Contract (other than advertising sales contracts for cash only and with a term of no more than twelve (12) months) in any material respect except for those Meredith

Contracts that terminate or expire prior to the Effective Time by their own terms; provided, however: (i) that except as set forth on Schedule 6.1(f), Meredith will not enter into or agree or commit to enter into any agreements or transactions on behalf of either of the Meredith Stations with Affiliates of Meredith or other divisions of Meredith without Fox's prior written consent, such consent not to be unreasonably withheld or delayed; and (ii) the Meredith Stations will not change, amend, terminate or otherwise modify or agree or commit to change, amend, terminate or otherwise modify their network affiliation agreements in any respect without Fox's prior written consent;

(g) not enter into or agree or commit to enter into any agreement to sell, purchase or encumber any parcel of Meredith Real Property;

(h) without limiting the restrictions contained in Section 6.1(f), keep Fox apprised of material developments in negotiations for existing and proposed Meredith Program Rights agreements and promptly provide Fox with copies of all Meredith Program Rights agreements affecting the Meredith Stations;

(i) use their commercially reasonable efforts to air the advertising contemplated under any Meredith Tradeout Agreement to the fullest extent practicable prior to the Closing;

(j) not enter into or agree or commit to enter into any new Meredith Tradeout Agreement prior to Closing without the prior written consent of Fox, which consent shall not be unreasonably withheld or delayed;

(k) promptly notify Fox of the entry into any Meredith Program Rights agreement and Meredith Programming Agreement, whether or not covered by Section 6.1(f), utilize the Meredith Program Rights and air Meredith Paid Programming only in the ordinary course of the Meredith Businesses and consistent with past practice and not sell or otherwise dispose of any such Meredith Program Rights and make payments on Meredith Program Rights and agreements on a basis consistent with past practice and otherwise in accordance with this Agreement;

(l) use their commercially reasonable efforts to take all appropriate, reasonable action to protect the present service areas of the Meredith Stations from increased electrical interference from other stations, existing or proposed, and to exercise commercially reasonable efforts to maintain carriage, if any, of the Meredith Stations' signals on Meredith's Market Cable System;

(m) not adopt, or agree or commit to adopt, any Meredith Plan or other pension, profit sharing, deferred compensation or similar plan, program or trust on behalf of personnel of the Meredith Stations, or modify or agree or commit to modify the existing Meredith Plans insofar as they relate to personnel of the Meredith Stations, other than adoptions or modifications or agreements or commitments to make any adoptions or modifications that apply to similarly situated employees of Meredith;

(n) promptly notify Fox of any attempted or actual collective bargaining organizing activity with respect to any employees of the Meredith Stations; and shall, to

the extent permitted by applicable Law, refrain from entering into any collective bargaining agreement applicable to any employees of the Meredith Stations that provides that such agreement shall be binding upon any “successor” employer of such employees;

(o) follow the Meredith Stations’ usual and customary policy with respect to: (A) extending credit for sales of broadcast time of the Meredith Stations; and (B) collecting accounts receivable relating to the Meredith Stations arising from such extension of credit;

(p) make commercially reasonable efforts to: (x) promote and advertise the Meredith Stations; and (y) promote and advertise, including on-air promotion and advertising, any program that is currently airing on the Meredith Stations, in each case consistent with past practices and current economic conditions;

(q) not make or agree or commit to make any Meredith Stations capital expenditure greater than \$5,000 in connection with any particular project or greater than \$50,000 in total without the prior written consent of Fox, which consent shall not be unreasonably withheld or delayed;

(r) not cause or permit, or agree or commit to cause or permit, by act or failure to act, any of the Meredith FCC Licenses to expire or to be revoked, suspended or adversely modified, or take or fail to take, any action that would reasonably be likely to cause the FCC or any other Governmental Authority to institute proceedings for the suspension, revocation or adverse modification of any of the Meredith FCC Licenses; and

(s) promptly provide Fox with copies of all 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 the Meredith Stations, and keep Fox advised of the status of material developments in all negotiations with cable systems and satellite carriers concerning such matters.

6.2 Access.

(a) From and after the date hereof, until the earlier of the termination of this Agreement in accordance with the terms of this Agreement and the Closing Date, upon reasonable prior notice to Meredith, Meredith shall give Fox and its authorized agents, officers and representatives reasonable access to the Meredith Stations and the Meredith Exchanged Assets to conduct such examination and investigation, of the Meredith Stations and the Meredith Exchanged Assets as Fox reasonably requests, provided, however, that such examinations shall be during normal business hours, shall be on reasonable advance notice, shall not unreasonably interfere with the Meredith Stations’ operations and activities and shall not be in violation of Section 7.3 hereof concerning “control.” Notwithstanding the foregoing, Fox shall not have access to personnel records of Meredith relating to individual performance or evaluation records, medical histories or other information that in Meredith’s good faith opinion the disclosure of which could subject Meredith to risk of liability.

(b) From the Closing Date and for a period of three (3) years thereafter, Meredith will afford, upon reasonable prior notice, Fox and its authorized agents, officers and representatives reasonable access to its properties, books, records, employees and auditors relating to the Fox Station to the extent reasonably necessary to permit Fox to determine any matter relating to its rights and obligations hereunder or with respect to any matter relating to any time prior to the consummation of the Closing; provided that such examinations shall be during normal business hours, shall be on reasonable advance notice and shall not unreasonably interfere with the Fox Station's operations and activities. For a period of three (3) years after the Closing Date, if Meredith shall desire to dispose of any books and records relating to the Fox Station attributable to any period prior to the Closing Date, Meredith shall, prior to such disposition, give Fox a reasonable opportunity, at Fox's expense, to segregate and remove such books and records as Fox may select. Fox will hold, and will cause its authorized agents, officers and representatives to hold, in confidence, unless compelled to disclose by judicial or administrative process or by other requirements of Law, all confidential documents and information concerning Meredith or the Fox Business provided to it or them pursuant to this Section 6.2(b).

6.3 *Title Insurance and Surveys.* From and after the date hereof, until the earlier of the termination of this Agreement in accordance with the terms of this Agreement and the Closing Date, Meredith shall cooperate with Fox (provided that Meredith shall not be required to pay any consideration to Fox or any third party) so that Fox can promptly obtain the following:

(a) With respect to the Meredith Real Property, preliminary reports on title covering a date subsequent to the date of this Agreement, issued by the Fox Title Company, which preliminary reports shall contain commitments (the "Meredith Title Commitments") of the Fox Title Company to issue an ALTA title insurance policy or policies (the "Meredith Title Policy") insuring the interests of Fox in each parcel of the Meredith Real Property. The Meredith Title Commitments shall be subject only to Fox Permitted Liens. Meredith shall cooperate in endeavoring to delete all standard exceptions from the Meredith Title Policy.

(b) Surveys of the Meredith Real Property as of a date subsequent to the date of this Agreement that shall reflect: (A) no Liens, except Meredith Permitted Liens; and (B) access to each such parcel from a public street or indirect access to a public street over recorded easements.

(c) The expenses incurred in connection with the fulfillment of the obligations referred to in Sections 6.3(a) and 6.3(b) shall be paid by Fox.

6.4 *Financial and FCC Reports.* Within thirty (30) 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, Meredith will furnish Fox with a copy of the monthly unaudited financial reports for the Meredith Stations (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 Fox within ten (10) days after filing all reports, applications and correspondence filed with the FCC with respect to either of the Meredith Stations 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 financial statements set forth in Section 4.11. All of the foregoing FCC reports, applications and correspondence shall comply with the Communications Act and shall be true, correct and complete in all material respects.

6.5 *Public Notice of Meredith FCC Licenses Assignments.* Meredith shall publish and broadcast a public notice concerning the filing of the application for assignment of the Meredith FCC Licenses in accordance with the requirements of Section 73.3580 of the FCC's Rules and shall provide Fox with proof of publication and broadcast of such notice within ten (10) Business Days of its completion.

6.6 *Employees.* Meredith will deliver to Fox an updated list, dated as of a date no more than five (5) days prior to the Closing Date, of all individuals employed by the Meredith Stations, other than the employees of the Meredith Stations listed on Schedule 6.6 (collectively the "Meredith Retained Employees"), including their names, original date of hire, current rate of compensation, employment status (*i.e.*, active, disabled, on leave and reason therefor), department, title, collective bargaining status and whether they are full time or part time.

Article VII COVENANTS OF FOX AND MEREDITH

7.1 *Efforts; HSR Filings.*

(a) Without limiting the specific obligations of any party hereto under any agreement or covenant hereunder, each party hereto shall use its commercially reasonable efforts to promptly take, or cause to be taken, all action and do, or cause to be done, all things necessary or desirable in order to consummate the transactions contemplated by this Agreement, including, without limitation, satisfaction, but not waiver, of the closing conditions set forth in Article VIII. In furtherance and not in limitation of the foregoing, Fox and Meredith each agree to make appropriate filings pursuant to applicable Antitrust Laws, including a Notification and Report Form pursuant to the HSR Act with respect to the transactions contemplated hereby within fifteen (15) Business Days after the date of this Agreement, and to supply as promptly as practicable any additional information and documentary material that may be requested pursuant to the HSR Act and to take all other commercially reasonable actions necessary to cause the expiration or termination of the applicable waiting periods under the HSR Act as soon as practicable; provided, that notwithstanding anything to the contrary contained in this Agreement, a party's commercially reasonable efforts hereunder shall not require such party to, and Meredith, Fox or any of their respective Affiliates shall not 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 their respective businesses, assets or operations. The parties hereto will not take any intentional action that would reasonably be expected to have the effect of delaying, impairing or impeding the receipt of any required approval. Meredith and Fox shall each pay one-half (1/2) of all HSR Act filing fees relating to the transactions contemplated hereby, irrespective of whether the transactions contemplated by this Agreement are consummated.

(b) In connection with the efforts referenced in Section 7.1(a) to obtain all requisite approvals and authorizations for the transactions contemplated by this Agreement under the HSR Act or any other Antitrust Law, Fox and Meredith shall use all commercially reasonable efforts to: (A) cooperate in all respects with each other in connection with any filing or submission and in connection with any investigation or other inquiry, including any proceeding initiated by a private party; (B) keep the other party informed in all material respects of any material communication received by such party from, or given by such party to, the Federal Trade Commission (the “FTC”), the Antitrust Division of the Department of Justice (“DOJ”) or any other Governmental Authority and of any material communication received or given in connection with any proceeding by a private party; and (C) except as otherwise prohibited by law, permit the other party to review any material communication given by it to, and consult with each other in advance of and be permitted to attend any meeting or conference with, the FTC, the DOJ or any such other Governmental Authority or, in connection with any proceeding by a private party, with any other Person, in each case regarding any of the transactions contemplated by this Agreement.

7.2 FCC Consent

(a) Meredith and Fox shall prepare and file with the FCC concurrently with the execution of this Agreement, the requisite applications (the “FCC Applications”) and other necessary instruments or documents requesting the FCC Consent. After such applications and documents have been filed with the FCC, Meredith and Fox shall respond promptly to any requests for information from the FCC and prosecute such applications with all reasonable diligence to obtain the requisite FCC Consent; provided, however, except as provided in the following sentence, neither Meredith nor Fox shall be required to pay consideration to any third party to obtain the FCC Consent. Meredith and FTS shall each pay one-half of the FCC filing fees relating to the transactions contemplated hereby. Each party shall notify the other parties hereto in the event it becomes aware of any other facts, actions, communications, or occurrences that might directly or indirectly prevent or delay prompt FCC approval of the transactions contemplated by this Agreement. Meredith and Fox each shall oppose any petitions to deny or other objections filed with respect to the FCC Applications.

(b) In connection with the efforts referenced in Section 7.2(a) to obtain all requisite approvals and authorizations for the transactions contemplated by this Agreement with respect to the FCC Consent, Fox and Meredith shall use its commercially reasonable efforts to: (A) cooperate in all respects with each other in connection with any filing or submission and in connection with any investigation or other inquiry, including any proceeding initiated by a private party; (B) keep the other party informed in all material respects of any material communication received by such party from, or given by such party to, the FCC or any other Governmental Authority and of any material communication received or given in connection with any proceeding by a private party; and (C) except as otherwise prohibited by law, permit the other party to review any material communication given by it to, and consult with each other in advance of and be permitted to attend any meeting or conference with, the FCC or any such other Governmental Authority or, in connection with any proceeding by a private

party, with any other Person, in each case regarding any of the transactions contemplated by this Agreement.

7.3 *Control Prior to and Post-Closing.* Between the date of this Agreement and the Closing Date, Meredith shall not directly or indirectly control, supervise or direct, or attempt to control, supervise or direct the operation of the Fox Station, and Fox shall not directly or indirectly control, supervise or direct, or attempt to control, supervise or direct the operation of the Meredith Stations. Such operation, including complete control and supervision of all programs, employees and policies of the Fox Station and the Meredith Stations, shall be the sole responsibility of Fox and Meredith, respectively. Neither title nor right to possession of the Fox Station or the Meredith Stations shall pass to Meredith or Fox, as the case may be, until the consummation of the Closing. From and after the Closing: (i) Fox shall not have any right to control the Fox Station and Meredith shall not have any right to control the Meredith Stations; and (ii) Fox shall not have any reversionary rights in the Fox Station and Meredith shall not have any reversionary rights in the Meredith Stations. The parties acknowledge and agree that this Agreement and, without limitation, the covenants of Articles V and VI, are not intended to and shall not be construed to transfer control by the covenanting party to the parties intended to benefit from such covenants.

7.4 *Certain Filings; Further Actions.* Meredith and Fox shall cooperate with one another: (A) in determining whether any action by or in respect of, or filing with, any Governmental Authority is required or any actions, consents, approvals or waivers are required to be obtained from parties to any material contracts, in each case in connection with the consummation of the transactions contemplated by this Agreement; and (B) in taking such actions or making any such filings, furnishing information required in connection therewith and seeking timely to obtain any such actions, consents, approvals or waivers.

7.5 *Public Announcement.* The parties hereto will jointly prepare the first announcement relating to this Agreement and the transactions contemplated hereby. Following such first public announcement, the parties agree to consult with each other before issuing any subsequent press release or making any subsequent public announcement with respect to this Agreement or the transactions contemplated hereby, other than any press releases or public statements the making of which may be required by applicable Law, including any applicable stock exchange rules.

7.6 *Insurance.*

(a) Effective at the Effective Time, the Meredith Exchanged Assets shall cease to be insured by Meredith or its Affiliates' insurance policies. With respect to insurance coverage that relates to any of the Meredith Exchanged Assets written on an "occurrence basis," Meredith and its Affiliates will have no liability for occurrences that take place on and after the Effective Time. With respect to insurance coverage that relates to any of the Meredith Exchanged Assets written on a "claims made basis," Meredith and its Affiliates will have no liability for claims made after the Effective Time.

(b) Effective at the Effective Time, the Fox Exchanged Assets shall cease to be insured by Fox or its Affiliates' insurance policies. With respect to insurance

coverage that relates to any of the Fox Exchanged Assets written on an “occurrence basis,” Fox and its Affiliates will have no liability for occurrences that take place on and after the Effective Time. With respect to insurance coverage that relates to any of the Fox Exchanged Assets written on a “claims made basis,” Fox and its Affiliates will have no liability for claims made after the Effective Time.

7.7 *Notice of Adverse Changes.* Fox, on the one hand, and Meredith, on the other, each shall, without limiting its rights to rely on the representations and warranties made to it in this Agreement or any certificate delivered pursuant to this Agreement, and without limiting its rights and remedies hereunder, promptly notify the other of:

(a) any notice or other communication from any Governmental Authority in connection with the transactions contemplated by this Agreement;

(b) in the case of Fox, any Action commenced or, to Fox’s Knowledge, threatened against the Fox Business, including any Action that involves any of the Fox FCC Licenses, that if pending on the date of this Agreement, would have been required to have been disclosed pursuant to Section 3.13(a) or that relates to the consummation of the transactions contemplated by this Agreement;

(c) in the case of Fox, any material labor grievance, controversy, organizing attempts, strike, or dispute affecting the Fox Business;

(d) in the case of Fox, any damage to or malfunction of any Fox Equipment that results in the disruption of broadcasting by the Fox Station in any portion of its DMA for any period of time.

(e) in the case of Fox, any other material adverse development with respect to the Fox Business that would, individually or in the aggregate, reasonably be likely to have a Fox Material Adverse Effect;

(f) in the case of Meredith, any Action commenced or, to Meredith’s Knowledge, threatened against the Meredith Businesses, including any Action that involves any of the Meredith FCC Licenses, that if pending on the date of this Agreement, would have been required to have been disclosed pursuant to Section 4.13(a) or that relates to the consummation of the transactions contemplated by this Agreement;

(g) in the case of Meredith, any material labor grievance, controversy, organizing attempts, strike, or dispute affecting the Meredith Businesses;

(h) in the case of Meredith, any damage to or malfunction of any Meredith Equipment that results in the disruption of broadcasting by any Meredith Stations in any portion of its DMA for any period of time; or

(i) in the case of Meredith, any other material adverse development with respect to the Meredith Businesses that would, individually or in the aggregate, reasonably be likely to have a Meredith Material Adverse Effect.

Article VIII
CONDITIONS TO CLOSING

8.1 *Conditions to Obligations of Fox and Meredith.* The obligations of Fox and Meredith to consummate the Closing are subject to the satisfaction or waiver of the following conditions:

(a) Any applicable waiting period, including any extensions thereof, clearance, approval or filing under the HSR Act or under any other Antitrust Law or regulation relating to the transactions contemplated hereby shall have expired or been terminated or shall have been obtained or made.

(b) No provision of any applicable Law and no judgment, injunction or decree of any Governmental Authority shall be in effect that restrains or materially and adversely affects the transactions contemplated by this Agreement or shall be likely to prohibit the consummation of the Closing.

(c) There shall not be instituted and pending any Action challenging or seeking to restrain, prohibit or otherwise materially interfere with the consummation of the transactions contemplated hereby.

8.2 *Conditions to Obligations of Meredith.* The obligation of Meredith to consummate the Closing is subject to the satisfaction or waiver of the following conditions:

(a) Representations and Warranties.

(i) The representations and warranties made by Fox in this Agreement shall be true and correct in all respects at and as of the Closing Date with the same effect as though such representations and warranties were made at and as of the Closing Date (other than any representation or warranty that by its terms speaks as of the date of this Agreement or as of some other date, in which case such representation and warranty need only be true and correct in all respects as of such specified date), except for changes permitted or contemplated by this Agreement and except for such inaccuracies and breaches which, either individually or in the aggregate, would not reasonably be expected to result in a Fox Material Adverse Effect. For purposes of the preceding sentence, each representation and warranty shall be applied without giving effect to any materiality qualifications contained therein.

(ii) Fox shall have performed and complied in all material respects all of their respective obligations under this Agreement required to be performed or complied with by them on or prior to the Closing Date.

(iii) Fox shall have delivered to Meredith a certificate dated as of the Closing Date and signed by a senior executive officer of Fox to the effect set forth in Sections 8.2(a)(i) and 8.2(a)(ii).

(b) The consents to the assignment of the agreements set forth on Schedule 8.2(b) shall have been obtained.

(c) Fox shall deliver to Meredith at the Closing such other documents as shall be reasonably necessary to transfer to Meredith the Fox Exchanged Assets and to assume the Meredith Assumed Liabilities as contemplated by this Agreement.

(d) Meredith shall have received certified copies of all the respective actions taken by Fox authorizing and approving the execution and delivery of this Agreement, all other documents and instruments required hereby and the consummation of the transactions contemplated hereunder and thereunder.

(e) Each FCC Consent shall have been issued, and shall contain no provisions materially adverse to Meredith or the Fox Station; provided, that the parties understand and agree that the obligation of Meredith to consummate the transactions contemplated by this Agreement is not subject to the condition that each FCC Consent shall have become a Final Order.

(f) Fox shall have caused its Affiliate to have exercised such Affiliate's right to terminate the affiliation term of the UPN Affiliation Agreement as it applies to the Fox Station, with such termination to become effective by the six (6) month anniversary of the Closing Date or such earlier time as the UPN Network may agree.

8.3 *Conditions to Obligations of Fox.* The obligation of Fox to consummate the Closing are subject to the satisfaction or waiver of the following conditions:

(a) Representations and Warranties.

(i) The representations and warranties made by Meredith in this Agreement shall be true and correct in all respects at and as of the Closing Date with the same effect as though such representations and warranties were made at and as of the Closing Date (other than any representation or warranty that by its terms speaks as of the date of this Agreement or as of some other date, in which case such representation and warranty need only be true and correct in all respects as of such specified date), except for changes permitted or contemplated by this Agreement and except for such inaccuracies and breaches which, either individually or in the aggregate, would not reasonably be expected to result in a Meredith Material Adverse Effect. For purposes of the preceding sentence, each representation and warranty shall be applied without giving effect to any materiality qualifications contained therein.

(ii) Meredith shall have performed and complied in all material respects all of their respective obligations under this Agreement required to be performed or complied with by them on or prior to the Closing Date.

(iii) Meredith shall have delivered to Fox a certificate dated as of the Closing Date and signed by a senior executive officer of Meredith to the effect set forth in Sections 8.3(a)(i) and 8.3(a)(ii).

(b) The consents to the assignment of the agreements set forth on Schedule 8.3(b) shall have been obtained.

(c) Meredith shall deliver to Fox at the Closing such other documents as shall be reasonably necessary to transfer to Fox the Meredith Exchanged Assets and to assume the Fox Assumed Liabilities as contemplated by this Agreement.

(d) Fox shall have received certified copies of all the respective actions taken by Meredith authorizing and approving the execution and delivery of this Agreement, all other documents and instruments required hereby and the consummation of the transactions contemplated hereunder and thereunder.

(e) Each FCC Consent shall have been issued, and shall contain no provisions materially adverse to Fox or the Meredith Stations; provided that the parties understand and agree that the obligation of Fox to consummate the transactions contemplated by this Agreement is not subject to the condition that each FCC Consent shall have become a Final Order.

Article IX INDEMNIFICATION

9.1 *Indemnification by Fox.*

(a) After Closing and subject to Section 11.4 hereof and the other applicable provisions of this Agreement, Fox hereby agrees to jointly and severally indemnify and hold Meredith and its Affiliates and its respective employees, officers, directors, representatives and agents (collectively, the “Meredith Indemnified Parties”) harmless from and against, and agree promptly to defend any Meredith Indemnified Party from and reimburse any Meredith Indemnified Party for, any and all losses, damages, costs, expenses, liabilities, obligations, penalties and claims of any kind (including, without limitation, in connection with any Action or other proceeding or investigation brought by any Person and including reasonable attorneys’ fees and other legal costs and expenses) (collectively “Losses”) that any Meredith Indemnified Party may at any time suffer or incur, or become subject to, as a result of or in connection with:

(i) any breach or inaccuracy as of the Closing Date of any of the representations or warranties made by Fox in or pursuant to this Agreement, or in any certificate delivered by Fox at the Closing in accordance herewith (any such breach or inaccuracy to be determined without regard to any materiality or Fox Material Adverse Effect qualification in any such representation or warranty); provided, however, that Fox shall not be required to indemnify and hold harmless any Meredith Indemnified Party for a breach or inaccuracy of the representations and warranties as set forth in the succeeding list unless Fox had Knowledge of any fact or circumstance that would make such representation or warranty not true and correct as of the Closing Date (each such breach or inaccuracy of a representation or warranty referred to in this Section 9.1(a)(i), a “Fox Warranty Breach”):

(A) (1) Section 3.4(d); (2) Section 3.5(a), except, with respect to Section 3.5(a)(iii), regarding any Fox Contract that involves payments or receipts of \$500,000 or more; (3) Sections 3.5(b) through 3.5(i); (4)

Section 3.13(c) insofar as it relates to matters arising up to but not including the date of the Chris-Craft Closing; (5) Section 3.14, insofar as it relates to matters arising up to but not including the date of the Chris-Craft Closing; (6) Section 3.18, except as it relates to the BHC Special Severance Plan; and (7) Section 3.19;

(ii) any failure by Fox to carry out, perform, satisfy and discharge any of its respective covenants, agreements, undertakings, liabilities or obligations under this Agreement or under any of the documents and/or other instruments delivered by Fox pursuant to this Agreement;

(iii) the Fox Retained Liabilities;

(iv) the Meredith Assumed Liabilities; or

(v) the failure by Fox to comply with any provision of applicable bulk sales or similar Laws in connection with the exchange of the Fox Exchanged Assets contemplated hereby.

(b) Notwithstanding any other provision to the contrary, Fox shall not be required to indemnify and hold harmless any Meredith Indemnified Party pursuant to Section 9.1(a)(i) and, insofar as such indemnity relates to a breach by Fox of the Fox Interim Covenants, Section 9.1(a)(ii): (i) unless with respect to any of the foregoing Meredith have asserted a claim with respect to such matters within the applicable survival period set forth in Section 11.4 hereof; and (ii) until the aggregate amount of the Meredith Indemnified Parties' Losses that are indemnified hereunder exceed \$750,000 and then only to the extent of all such Losses in excess of such amount; provided, however, that the cumulative indemnification obligation of Fox under Section 9.1(a)(i) and, insofar as such indemnity relates to a breach by Fox under the Fox Interim Covenants, Section 9.1(a)(ii), shall in no event exceed \$20,000,000. Notwithstanding anything herein to the contrary, the limitations of this Section 9.1(b) shall not apply to any breach or inaccuracy as of the Closing Date of any of the representations or warranties made by Fox in or pursuant to Sections 3.7, 3.16 or 3.21 or in any instrument or certificate delivered by Fox hereunder concerning such representations and warranties.

9.2 *Indemnification by Meredith.*

(a) After Closing and subject to Section 11.4 hereof and the other applicable provisions of this Agreement, Meredith hereby agrees to indemnify and hold Fox and its Affiliates and its respective employees, officers, directors, representatives and agents (collectively, the "Fox Indemnified Parties") harmless from and against, and agree promptly to defend any Fox Indemnified Party from and reimburse any Fox Indemnified Party for, any and all Losses that any Fox Indemnified Party may at any time suffer or incur, or become subject to, as a result of or in connection with:

(i) any breach or inaccuracy as of the Closing Date of any of the representations or warranties made by Meredith in or pursuant to this Agreement, or in any certificate delivered by Meredith at the Closing in accordance herewith (any such

breach or inaccuracy to be determined without regard to any materiality or Meredith Material Adverse Effect qualification in any such representation or warranty); provided, however, that Meredith shall not be required to indemnify and hold harmless any Fox Indemnified Party for a breach or inaccuracy of the representations and warranties as set forth in the succeeding list unless Meredith had Knowledge of any fact or circumstance that would make such representation or warranty not true and correct as of the Closing Date (each such breach or inaccuracy of a representation or warranty referred to in this Section 9.2(a)(i), a “Meredith Warranty Breach”):

(A) (1) Section 4.4(d); (2) Section 4.5(a), except, with respect to Section 4.5(a)(iii), regarding any Meredith Contract that involves payments or receipts of \$500,000 or more; (3) Sections 4.5(b) through 4.5(i); (4) Section 4.13(c) insofar as it relates to matters arising up to but not including the date of the Chris-Craft Closing; (5) Section 4.14, insofar as it relates to matters arising up to but not including the date of the Chris-Craft Closing; (6) Section 4.18 and (7) Section 4.19;

(ii) any failure by any Meredith to carry out, perform, satisfy and discharge any of its respective covenants, agreements, undertakings, liabilities or obligations under this Agreement or under any of the documents and/or other instruments delivered by Meredith pursuant to this Agreement;

(iii) the Meredith Retained Liabilities;

(iv) the Fox Assumed Liabilities; or

(v) the failure by Meredith to comply with any provision of applicable bulk sales or similar Laws in connection with the exchange of the Meredith Exchanged Assets contemplated hereby.

(b) Notwithstanding any other provision to the contrary, Meredith shall not be required to indemnify and hold harmless any Fox Indemnified Party pursuant to Section 9.2(a)(i) and, insofar as such indemnity relates to a breach by Meredith of the Meredith Interim Covenants, Section 9.2(a)(ii): (i) unless with respect to any of the foregoing Meredith has asserted a claim with respect to such matters within the applicable survival period set forth in Section 11.4 hereof; and (ii) until the aggregate amount of the Meredith Indemnified Parties’ Losses that are indemnified hereunder exceed \$750,000 and then only to the extent of all such Losses in excess of such amount; provided, however, that the cumulative indemnification obligation of Meredith under Section 9.12(a)(i) and, insofar as such indemnity relates to a breach by Meredith under the Meredith Interim Covenants, Section 9.1(a)(ii), shall in no event exceed \$20,000,000. Notwithstanding anything herein to the contrary, the limitations of this Section 9.2(b) shall not apply to any breach or inaccuracy as of the Closing Date of any of the representations or warranties made by Meredith in or pursuant to Sections 4.7, 4.16 or 4.21 or in any instrument or certificate delivered by Meredith hereunder concerning such representations and warranties.

9.3 *Notification of Claims.*

(a) Any party entitled to be indemnified pursuant to Section 9.1 or 9.2 (the “Indemnified Party”) shall promptly notify the parties liable for such indemnification (the “Indemnifying Party”) in writing of any claim or demand that the Indemnified Party has determined has given or could give rise to a right of indemnification under this Agreement; provided, however, no delay or failure in giving notice of any claim or demand shall relieve the Indemnifying Party of any liability or obligation hereunder except to the extent of any Losses caused by or arising out of such delay or 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 this Article IX within thirty (30) days after the receipt of written notice thereof from the Indemnified Party.

(b) If the Indemnified Party shall notify the Indemnifying Party of any claim or demand pursuant to Section 9.3(a), and if such claim or demand relates to a claim or demand asserted by a third party against the Indemnified Party that the Indemnifying Party acknowledges is a claim or demand for which it must indemnify or hold harmless the Indemnified Party under Section 9.1 or 9.2, the Indemnifying Party shall have the right to employ counsel reasonably acceptable to the Indemnified Party to defend any such 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 Indemnifying Party shall notify the Indemnified Party in writing, as promptly as possible (but in any case before the due date for the answer or response to a claim) after the date of the notice of claim given by the Indemnified Party to the Indemnifying Party under Section 9.3(a) of its election to defend in good faith any such third party claim or demand. The Indemnified Party shall not settle or compromise any such claim or demand asserted by a third party against the Indemnified Party unless the Indemnifying Party is not defending in good faith any such claim or demand. The Indemnifying Party shall keep the Indemnified Party advised of all material events with respect to any such third party claim. The Indemnifying Party shall obtain the prior written approval of the Indemnified Party before ceasing to defend against such third party claim or entering into any settlement, adjustment or compromise of such third party claim involving injunctive or similar equitable relief being asserted against any Indemnified Party or any of its Affiliates. Whether or not the Indemnifying Party elects to defend any such claim or demand, the Indemnified Party shall have no obligations to do so. The Indemnifying Party shall not settle or compromise any such claim or demand, unless the Indemnified Party is given a full and complete release of any and all liability by all relevant parties relating thereto. In connection with any defense of any third party claim (whether by the Indemnifying Parties or the Indemnified Parties), all of the parties shall, and shall cause their Affiliates to, cooperate in the defense or prosecution thereof and to in good faith retain and furnish such records, materials, information and testimony, and attend such conferences, discovery proceedings, hearings, trials and appeals, as may be reasonably requested by a party in connection therewith.

9.4 *No Consequential Damages.* Notwithstanding any other provision in the Agreement, as to any claims between the Meredith Indemnified Parties, on the one hand, and the

Fox Indemnified Parties, on the other hand, with respect to breaches by a party of this Agreement or the transactions contemplated hereby, Losses of a party shall not include, and no party shall be entitled to be indemnified or to make any claim for breaches by a party of this Agreement for, any indirect or consequential damages of such party.

9.5 *Exclusive Remedies.* Fox and Meredith acknowledge and agree that after Closing the indemnification provisions of Sections 9.1 and 9.2 shall be the sole and exclusive remedies of Fox and Meredith for any breach of the representations or warranties of Fox or Meredith contained in this Agreement or any other agreement or instrument delivered pursuant hereto, except for the remedies provided in Sections 10.5, 10.6 and 11.16.

9.6 *Commercially Reasonable Efforts.* Each party shall use its commercially reasonable efforts to mitigate any and all Losses suffered, incurred or sustained by such party arising out of, attributable to or resulting from any breach or inaccuracy as of the Closing Date of any representations and warranties made in or pursuant to this Agreement, or in any instrument or covenant or agreement of the other party hereto, upon such party's discovery of such inaccuracy or breach by the other party.

Article X FURTHER AGREEMENTS

10.1 *Taxes.* All federal, state, local and other transfer, sales and use Taxes applicable to, imposed upon or arising out of the transfer to Meredith of the Fox Exchanged Assets or to Fox of the Meredith Exchanged Assets as contemplated by this Agreement shall be shared equally by Meredith and Fox; provided, however, if the exchange contemplated hereby is consummated, all state, tangible, personal, real property and similar taxes relating to the calendar year in which the Closing occurs shall be pro rated between the parties hereto through the Effective Time, with the transferring party responsible for all such taxes on the property such party is transferring until the Effective Time and the receiving party being responsible for all such taxes after the Effective Time.

10.2 *Meredith Employee Benefit Matters.*

(a) This Section 10.2 contains the covenants and agreements of the parties with respect to: (i) the status of employment of the employees of Meredith employed in the Meredith Businesses upon the consummation of the Closing and contained on the list delivered by Meredith to Fox pursuant to Section 6.6 ("Meredith Employees"); and (ii) the employee benefits and employee benefit plans provided or covering such Meredith Employees and former employees of Meredith who terminated employment with Meredith while employed in the Meredith Businesses or who retired from the Meredith Businesses ("Former Meredith Employees"). Nothing herein expressed or implied confers upon any Meredith Employee or Former Meredith Employee of Meredith any rights or remedies of any nature or kind whatsoever under or by reason of this Section 10.2.

(b) Employment.

(i) Fox shall offer employment effective as of the Effective Time to all Meredith Employees (other than any Meredith Retained Employee) who are: (x) actively at work for Meredith as of the Effective Time or who are not actively at work due solely to vacation (“Active Meredith Employees”); or (y) not actively at work as of the Effective Time due solely to an authorized leave of absence, sick leave, short or long-term disability leave, military leave or layoff with recall rights and who returns to active employment immediately following such absence and within 180 days of the Closing Date or such later date as required under applicable law (“Inactive Meredith Employees”). The period of such employment shall, in the case of Active Meredith Employees who accept Fox’s offer of employment, begin as of the Effective Time and, in the case of Inactive Meredith Employees who accept Fox’s offer of employment, on the date that they first commence active employment with Fox. For purposes of this Agreement, Active Meredith Employees and Inactive Meredith Employees who accept Fox’s offer of employment and who become employees of Fox shall be referred to herein collectively as the “Meredith Transferred Employees”. The employment offered to Meredith Transferred Employees under this paragraph shall, for a given employee, be for a comparable position with the same salary or wages, and benefits that in the aggregate are of a comparable value to the benefits provided to similarly situated employees of Fox, subject to any enrollment periods, exclusions or limitations as are generally applied by Fox and/or the pertinent employee benefit plan, subject to the right of Fox to terminate the employment of such employees within such six month period pursuant to Section 10.2(b)(ii).

(ii) Fox shall pay any Meredith Transferred Employee whose employment is terminated by Fox within six months after the Closing Date a Severance Benefit that is comparable, in the aggregate, to the Severance Benefit provided for immediately prior to the Effective Time by Meredith to such employees, as set forth on Schedule 10.2(b)(ii). For purposes of this Section 10.2(b)(ii), service with both Meredith and Fox shall be taken into account in computing the amount of such Severance Benefit.

(iii) Meredith agrees to use commercially reasonable efforts to facilitate the transition of Meredith Employees to employment with Fox as of the Effective Time. Such commercially reasonable efforts shall include affording Fox reasonable opportunities prior to the Effective Time to review employment and personnel records of the Meredith Employees, as permitted by law (other than medical records), to discuss with Meredith Employees terms and conditions of employment with Fox as of the Effective Time and to distribute to Meredith Employees forms and documents relating to employment with Fox.

(iv) Except to the extent prohibited by Law, after the Closing the Meredith Businesses shall deliver to Fox originals or copies of all personnel files and records (including medical records, if any, but excluding benefit plan records) relating to the Meredith Transferred Employees and the Meredith Businesses shall have reasonable continuing access to such files and records thereafter.

(v) Fox shall be responsible for, and shall indemnify and hold harmless Meredith against, any liability, claim or obligation (including reasonable attorney's fees) relating to or arising out of the employment or termination of employment by Fox of Meredith Transferred Employees, including claims for a Severance Benefit under the severance plan sponsored by Fox, on and after the Effective Time.

(c) Meredith shall retain all assets and liabilities under the Meredith Retirement and Income Plan (the "Meredith Pension Plan") attributable to service prior to the Effective Time for each Meredith Employee and Former Meredith Employee who is a participant in the Meredith Pension Plan immediately prior to the Effective time.

(d) Savings Plans. Fox shall cause one or more tax-qualified defined contribution plans established or maintained by Fox ("Fox Savings Plans") to accept rollover contributions in cash from Meredith Transferred Employees of any account balances distributed to them by the Meredith Savings Plan and Investment Plan and the Meredith Pension 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. The Fox Savings Plan and the Fox Pension Plan shall credit Meredith Transferred Employees with service credit for eligibility and vesting purposes for service recognized for the equivalent purposes under the Meredith Savings Plan.

(e) Employee Welfare Plans. With respect to those Meredith Transferred Employees who are covered by Meredith's group medical, dental, long-term disability or life insurance benefits as of the Effective Time, Meredith shall continue to provide the Meredith Transferred Employees and their dependents with such medical, dental, long-term disability, and/or life insurance benefits through the end of the month that includes the Closing Date, and Meredith shall retain liability for all claims made by such Meredith Transferred Employees and their dependents under such Meredith Plans through the last day of such calendar month. Meredith shall cease to provide workers' compensation coverage to the Meredith Transferred Employees as of the Effective Time and shall retain liability for all workers' compensation claims incurred prior to the Effective Time. Meredith shall retain liability for claims relating to "COBRA" coverage attributable to "qualifying events" occurring on or prior to the Closing Date with respect to all Meredith Employees (and their dependents). Fox shall offer group medical, dental, long-term disability or life insurance benefits to the Meredith Transferred Employees and their dependants effective no later than the first day of the month following the month that includes the Closing Date. Fox shall provide a Meredith Transferred Employee with workers' compensation coverage effective as of the Closing Date. Fox shall be liable for all claims relating to COBRA coverage attributable to "qualifying events" occurring after the Closing Date with respect to Meredith Transferred Employees to the extent required by law. For purposes of the foregoing, a medical/dental claim shall be considered incurred when the medical services are rendered or medical supplies are provided, and not when the condition arose. A workers' compensation claim shall be considered incurred when the injury or condition and event giving rise to the claim occurred, if such

date was prior to the date the claim is made. A life insurance claim shall be considered incurred when the death occurs. A disability claim shall be deemed to be incurred as of the effective date of the disability under the terms of the applicable disability plan. With respect to each Fox group health plan that provides coverage to the Meredith Transferred Employees eligible for such coverage, Fox shall waive all pre-existing condition limitations to the extent no pre-existing conditions applied to such individuals under Meredith's group health insurance plan, and for the plan year including the Closing Date, shall give such employees (and their dependents) credit for deductibles, co-payments and out-of-pocket expenses incurred while employed by Meredith and covered under a Meredith group health plan. With respect to each Fox group disability plan that provides coverage to the Meredith Transferred Employees, Fox shall grant past service credit for eligibility purposes, for service with Meredith before the Closing Date.

(f) Vacation. Fox shall permit Meredith Transferred Employees to use, in accordance with the terms of Meredith's vacation policy, their vacation entitlement accrued as of the Effective Time until the first anniversary of the Closing Date or such later date as Fox may determine, which policy shall be as set forth on Schedule 10.2(f) and shall be delivered by Meredith to Fox on the date of this Agreement. Service with both Meredith (and its predecessors) and either Fox Oregon or FTS, as the case may be, shall be taken into account in determining Meredith Transferred Employees' vacation entitlement under Fox's vacation policy. As of the Closing Date, Schedule 10.2(f) shall also set forth, as of the Effective Time, the balance of earned vacation days available to each Meredith Employee.

(g) Severance and WARN Act Liability. Fox agrees to pay and be responsible for all liability, cost or expense for severance, termination indemnity payments, salary continuation, special bonuses and like costs under Fox's severance pay plans, policies or arrangements that arise from or relate to the transactions described in or contemplated by this Agreement with respect to any of the Meredith Transferred Employees entitled to benefits under Fox's severance pay plans, policies or arrangements, or that arise from the subsequent termination of employment of a Meredith Transferred Employee by Fox after the Effective Time. Fox 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 (the "WARN Act") and the regulations thereunder, that are attributable to actions taken by Fox after the Effective Time.

(h) Fox Payout of Bonus/Incentive Pay and Sick Leave. Fox agrees to make full and final settlement to the Fox Transferred Employees, as soon as reasonably practicable after the Closing, with respect to all liabilities and obligations relating to such employees' employment with Fox with respect to bonuses and incentive pay (excluding sales commissions) and sick leave to the extent earned or accrued through the Effective Time and Fox will remain solely responsible for any of these obligations and liabilities.

10.3 *Fox Employee Benefit Matters.*

(a) This Section 10.3 contains the covenants and agreements of the parties with respect to: (i) the status of employment of the employees of Fox employed in the Fox Business upon the consummation of the Closing and contained on the list delivered by Fox to Meredith pursuant to Section 5.6 (“Fox Employees”); and (ii) the employee benefits and employee benefit plans provided or covering such Fox Employees and former employees of Fox who terminated employment with Fox while employed in the Fox Business or who retired from the Fox Business (“Former Fox Employees”). Nothing herein expressed or implied confers upon any Fox Employee or Former Fox Employee of Fox any rights or remedies of any nature or kind whatsoever under or by reason of this Section 10.3.

(b) Employment.

(i) Meredith shall offer employment effective as of the Effective Time to all Fox Employees (other than any Fox Retained Employee) who are: (x) actively at work for Fox as of the Effective Time or who are not actively at work due solely to vacation, other than any Fox Retained Employee (“Active Fox Employees”); or (y) not actively at work as of the Effective Time due solely to an authorized leave of absence, sick leave, short or long-term disability leave, military leave or layoff with recall rights and who returns to active employment immediately following such absence and within 180 days of the Closing Date or such later date as required under applicable law, other than any Fox Retained Employee (“Inactive Fox Employees”). The period of such employment shall, in the case of Active Fox Employees who accept Meredith’s offer of employment, begin as of the Effective Time and, in the case of Inactive Fox Employees who accept Meredith’s offer of employment, on the date that they first commence active employment with Meredith. For purposes of this Agreement, Active Fox Employees and Inactive Fox Employees who accept Meredith’s offer of employment and who become employees of Meredith shall be referred to herein collectively as the “Fox Transferred Employees”. The employment offered to Fox Transferred Employees under this paragraph shall, for a given employee, be for a position with comparable job requirements and responsibilities, the same salary or wages, and benefits that in the aggregate are of comparable value to the benefits provided to similarly situated employees of Meredith, subject to any enrollment periods, exclusions or limitations as are generally applied by Meredith and/or the pertinent employee benefit plan, subject to the right of Meredith to terminate the employment of such employee within such six month period pursuant to Section 10.3(b)(ii).

(ii) Meredith shall assume all liabilities and obligations under the BHC Special Severance Plan with respect to each of the Fox Transferred Employees and those Active and Inactive Fox Employees who do not accept the Meredith offer of employment, which shall constitute a Fox Assumed Liability. Meredith shall provide Severance Benefits to those Fox Transferred Employees who are not eligible for a benefit from the BHC Special Severance Plan and who would otherwise be Level III employees under such plan and who are terminated from employment by Meredith within six months after the Closing Date, which such Severance Benefit shall constitute a Fox Assumed Liability. For purposes of this Section 10.3(b)(ii), service with both Meredith and Fox, including for this purpose only, the immediate predecessor to Fox, shall be

taken into account in computing the amount of such Severance Benefit. The Severance Benefit shall be comparable, in the aggregate, to the Severance Benefit provided by Meredith to similarly situated employees of Meredith.

(iii) Fox agrees to use commercially reasonable efforts to facilitate the transition of Fox Employees to employment with Meredith as of the Effective Time. Such commercially reasonable efforts shall include affording Meredith reasonable opportunities prior to the Effective Time to review employment and personnel records of the Fox Employees, as permitted by law (other than medical records), to discuss with Fox Employees terms and conditions of employment with Meredith as of the Effective Time and to distribute to Fox Employees forms and documents relating to employment with Meredith.

(iv) Except to the extent prohibited by Law, after the Closing the Fox Business shall deliver to Meredith originals or copies of all personnel files and records (including medical records, if any, but excluding benefit plan records) relating to the Fox Transferred Employees and the Fox Business shall have reasonable continuing access to such files and records thereafter.

(v) Meredith shall be responsible for, and shall indemnify and hold harmless Fox against, any liability, claim or obligation (including reasonable attorney's fees and disbursements) relating to or arising out of the employment or termination of employment by Meredith of Fox Transferred Employees, on and after the Effective Time, including claims for a Severance Benefit under any severance plan sponsored by Meredith and under the BHC Special Severance Plan.

(c) Pension Plans. Fox shall retain all assets and liabilities under the United Television, Inc. Employees' Retirement Plan (the "Fox Pension Plan") attributable to service prior to the Effective Time for each Fox Employee and Former Fox Employee who is a participant in the Fox Pension Plan immediately prior to the Effective Time.

(d) Savings Plans. Meredith shall cause one or more tax-qualified defined contribution plans established or maintained by Meredith ("Meredith Savings Plans") to accept rollover contributions in cash from Fox Transferred Employees of any account balances distributed to them by the Fox Investment Plan and the Investment Plan for Former Employees of Chris-Craft Industries and UTV (formerly the Chris-Craft/UTV Employees' Stock Purchase 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. The Meredith Savings Plan shall credit Fox Transferred Employees with service credit for eligibility and vesting purposes for service recognized for the equivalent purposes under the Fox Investment Plan.

(e) Employee Welfare Plans. With respect to those Fox Transferred Employees who are covered by Fox's group medical, dental, long-term disability or life insurance benefits as of the Effective Time, Fox shall continue to provide the Fox Transferred Employees and their dependents with such medical, dental, long-term

disability, and/or life insurance benefits through the end of the month that includes the Closing Date, and Fox shall retain liability for all claims made by such Fox Transferred Employees and their dependents under such Fox Plans through the last day of such calendar month. Fox shall cease to provide workers' compensation coverage to the Fox Transferred Employees as of the Effective Time and shall retain liability for all workers' compensation claims incurred prior to the Effective Time. Fox shall retain liability for claims relating to "COBRA" coverage attributable to "qualifying events" occurring on or prior to the Closing Date with respect to all Fox Employees (and their dependents). Meredith shall offer group medical, dental, long-term disability or life insurance benefits to the Fox Transferred Employees and their dependants effective no later than the first day of the month following the month that includes the Closing Date. Meredith shall provide a Fox Transferred Employee with workers' compensation coverage effective as of the Closing Date. Meredith shall be liable for all claims relating to COBRA coverage attributable to "qualifying events" occurring after the Closing Date with respect to Fox Transferred Employees to the extent required by law. For purposes of the foregoing, a medical/dental claim shall be considered incurred when the medical services are rendered or medical supplies are provided, and not when the condition arose. A workers' compensation claim shall be considered incurred when the injury or condition and event giving rise to the claim occurred, if such date was prior to the date the claim is made. A life insurance claim shall be considered incurred when the death occurs. A disability claim shall be deemed to be incurred as of the effective date of the disability under the terms of the applicable disability plan. With respect to each Meredith group health plan that provides coverage to the Fox Transferred Employees eligible for such coverage, Meredith shall waive all pre-existing condition limitations to the extent no pre-existing conditions applied to such individuals under Fox's group health insurance plan, and for the plan year including the Closing Date, shall give such employees (and their dependents) credit for deductibles, co-payments and out-of-pocket expenses incurred while employed by Fox and covered under a Fox group health plan. With respect to each Meredith group disability plan that provides coverage to the Fox Transferred Employees, Meredith shall grant past service credit for eligibility purposes, for service with the Fox Entities before the Closing Date.

(f) Vacation. Meredith shall permit Fox Transferred Employees to use on or before the end of the calendar year that includes the Closing Date (or for six months following the Closing Date, if longer), in accordance with the terms of Fox's vacation policy, which policy shall be as set forth in Schedule 10.3(f) and shall be delivered by Fox to Meredith on the date of this Agreement. Service with Fox (and their predecessors, to the extent recognized by Fox) and Meredith shall be taken into account in determining Fox Transferred Employees' vacation entitlement under Meredith's vacation policy. As of the Closing Date, Schedule 10.3(f) shall also set forth as of the Effective Time the balance of earned vacation days available to each Fox Employee.

(g) Severance and WARN Act Liability. Meredith agrees to pay and be responsible for all liability, cost or expense for severance, termination indemnity payments, salary continuation, special bonuses and like costs under Meredith's severance pay plans, policies or arrangements that arise from or relate to the transactions described in or contemplated by this Agreement with respect to any of the Fox Transferred

Employees entitled to benefits under Meredith's severance pay plans, policies or arrangements, or that arise from the subsequent termination of employment of a Fox Transferred Employee by Meredith after the Effective Time. Meredith agrees to pay and be responsible for all liability, cost, expense and sanctions resulting from any failure to comply with the WARN Act, and the regulations thereunder, that are attributable to actions taken by Meredith after the Effective Time.

(h) Meredith Payout of Bonus/Incentive Pay and Sick Leave. Meredith agrees to make full and final settlement to the Meredith Transferred Employees, as soon as reasonably practicable after the Closing, with respect to all liabilities and obligations relating to such employees' employment with Meredith with respect to bonuses and incentive pay (excluding sales commissions) and sick leave to the extent earned or accrued through the Effective Time and Meredith will remain solely responsible for any of these obligations and liabilities.

10.4 *Bulk Transfer.* Meredith and Fox hereby waive compliance with the provisions of any applicable bulk sales law and no representations, warranty or covenant contained in this Agreement shall be deemed to have been breached as a result of such noncompliance.

10.5 *Non-Solicitation by Meredith.*

(a) Meredith covenants and agrees that, if the Closing is consummated, for a period of one (1) year after the Closing Date, it will not, and will cause its subsidiaries not to, directly or indirectly, solicit for employment or employ, either as an employee or a consultant, any management employee of Fox who is engaged in the Meredith Businesses and was a Meredith Employee at the Closing (other than any Meredith Retained Employee), unless such person has been terminated by Fox; provided that nothing contained in this Section 10.5(a) shall prohibit Meredith from general solicitations of employees over any medium not specifically targeted toward the Meredith Businesses or the Meredith Employees, including without limitation, newspaper, television, radio and similar forms of mass media.

(b) The parties acknowledge and agree that the restrictions contained in Section 10.5(a) are a reasonable and necessary protection of the immediate interests of Fox, and any violation of these restrictions would cause substantial injury to Fox and that Fox would not have entered into this Agreement without receiving the additional consideration offered by Meredith in binding themselves to these restrictions. In the event of a breach or a threatened breach by Meredith or any of its subsidiaries of these restrictions, Fox shall be entitled to apply to any court of competent jurisdiction for an injunction restraining such Person from such breach or threatened breach (without the necessity of proving the inadequacy of money damages as a remedy); provided, however, that the right to apply for injunctive relief shall not be construed as prohibiting Fox from pursuing any other available remedies for such breach or threatened breach.

10.6 *Non-Solicitation by Fox.*

(a) Fox covenants and agrees that, if the Closing is consummated, for a period of one (1) year after the Closing Date, it will not, and will cause its subsidiaries not to, directly or indirectly, solicit for employment or employ, either as an employee or a consultant, any management employee of Meredith who is engaged in the Fox Business and was a Fox Employee at the Closing (other than any Fox Retained Employee), unless such person has been terminated by Meredith; provided that nothing contained in this Section 10.6(a) shall prohibit Fox from general solicitations of employees over any medium not specifically targeted toward the Fox Business or the Fox Employees, including without limitation, newspaper, television, radio and similar forms of mass media.

(b) The parties acknowledge and agree that the restrictions contained in Section 10.6(a) are a reasonable and necessary protection of the immediate interests of Meredith, and any violation of these restrictions would cause substantial injury to Meredith and that Meredith would not have entered into this Agreement without receiving the additional consideration offered by Fox in binding themselves to these restrictions. In the event of a breach or a threatened breach by Fox or any of its subsidiaries of these restrictions, Meredith shall be entitled to apply to any court of competent jurisdiction for an injunction restraining such Person from such breach or threatened breach (without the necessity of proving the inadequacy of money damages as a remedy); provided, however, that the right to apply for injunctive relief shall not be construed as prohibiting Meredith from pursuing any other available remedies for such breach or threatened breach.

Article XI TERMINATION; MISCELLANEOUS

11.1 *Termination.*

(a) This Agreement may be terminated and the transactions contemplated hereby may be abandoned at any time prior to the Closing Date, as follows:

- (i) by the mutual written agreement of Fox and Meredith;
- (ii) by Meredith or Fox if the Closing has not occurred on or before the first anniversary date of the Agreement (the "Termination Date");
- (iii) by Meredith if the Closing has not occurred as a result of Fox's failure to satisfy the conditions to Meredith's obligation to consummate the Closing set forth in Section 8.2(a), provided, however, that the Termination Date may be extended, at FTS's option, by thirty (30) days upon written notice to Meredith; further provided, however, that if Fox is working in good faith to cure such breach and it is reasonably likely that such breach shall be cured within an additional thirty (30) day period, the Termination Date shall be extended an additional thirty (30) days;
- (iv) by Fox if the Closing has not occurred as a result of Meredith's failure to satisfy the conditions to Fox's obligation to consummate the Closing set forth in Section 8.3(a), provided, however, that the Termination Date may be extended, at

Meredith's option, by thirty (30) days upon written notice to Fox; further provided, however, that if Meredith is working in good faith to cure such breach and it is reasonably likely that such breach shall be cured within an additional thirty (30) day period, the Termination Date shall be extended an additional thirty (30) days;

(v) by Meredith or Fox if any Law shall be promulgated that would restrain or prohibit consummation of the transactions contemplated hereby or if a final, nonappealable order, decree or judgment of any Governmental Authority is issued restraining or otherwise prohibiting consummation of the transactions contemplated hereby;

(vi) by Meredith or Fox if the FCC has denied the approvals contemplated by this Agreement in an order that has become a Final Order;

(vii) by Meredith if a material breach or default by Fox under this Agreement is not cured within thirty (30) days of written notice thereof given by Meredith to Fox; or

(viii) by Fox if a material breach or default by Meredith under this Agreement is not cured within thirty (30) days of written notice thereof given by Fox to Meredith.

(b) Notwithstanding anything to the contrary in this Section 11.1, the right to terminate this Agreement under this Section 11.1 shall not be available to any party whose failure to fulfill any obligation under this Agreement has been the cause of such termination event, and no cure period shall be available for any failure to comply with an obligation to be performed at Closing.

(c) Except for the obligations contained in Section 11.6 and 11.18, which shall survive any termination of this Agreement, upon the termination of this Agreement pursuant to Section 11.1(a), this Agreement shall forthwith become null and void, and no party hereto or any of their officers, directors, employees, agents, consultants, stockholders or principals shall have any rights, liabilities or obligations hereunder or with respect hereto; provided, however, that nothing contained herein shall relieve any party from liability for any willful material breach or inaccuracy of its representations or warranties contained in this Agreement or any willful breach of its covenants and agreements under this Agreement.

11.2 *Further Assurances.* From time to time after the Closing Date, upon the reasonable request of Meredith or Fox, Fox and Meredith shall execute and deliver or cause to be executed and delivered such further instruments of conveyance, assignment and transfer and take such further action as Meredith or Fox may reasonably request in order to more effectively sell, assign, convey, transfer, reduce to possession and record title to any of the Meredith Exchanged Assets or Fox Exchanged Assets in accordance with this Agreement. Meredith and Fox agree to cooperate with each other in all reasonable respects to assure to Fox and Meredith, respectively, the continued title to and possession of the Meredith Exchanged Assets and the Fox Exchanged Assets, respectively, in the condition and manner contemplated by this Agreement; provided,

however, that neither Meredith nor Fox shall be required to spend additional sums of money other than such sums as are commercially reasonable under the circumstances.

11.3 *Schedules.* Fox and Meredith shall use their reasonable best efforts to disclose all facts on the appropriate Schedule or make references to other Schedules where more specific disclosure is provided. Neither the specification (directly or indirectly by reference to a defined term hereof) of any dollar amount in the representations and warranties set forth in Articles III and IV or the indemnification provisions of Article IX or in any other provision of this Agreement nor the inclusion of any items in the Schedules shall be deemed to constitute an admission by Meredith or Fox or otherwise imply, that any such amount or such items so included are material for the purposes of this Agreement. The inclusion of, or reference to, any item within any particular section of the Schedules does not constitute an admission by either Meredith or Fox that such item meets any or all of the criteria set forth in this Agreement for inclusion in such section of the Schedules.

11.4 *Survival.* Unless otherwise set forth herein, all representations and warranties, covenants and agreements of Fox and Meredith contained in or made pursuant to this Agreement or in any certificate furnished pursuant hereto shall survive and not be affected in any respect by the Closing or by any investigation conducted by any party hereto and any information that any party may receive, and shall remain in full force and effect as follows: (a) except as otherwise specified below, representations and warranties of Meredith and Fox shall survive for a period of two (2) years after the Closing Date; (b) Fox's representations and warranties set forth in Section 3.14 (Environmental Matters) and Meredith's representations and warranties set forth in Section 4.14 (Environmental Matters) shall survive for a period of five (5) years after the Closing Date; (c) Fox's representations and warranties set forth in Section 3.1 (Incorporation), the first sentence of Section 3.2 (Authorization; Enforceability) and Sections 3.7 (Title to Fox Exchanged Assets; Liens) and 3.16 (Brokers), and Meredith's representations and warranties set forth in Section 4.1 (Incorporation), the first sentence of Section 4.2 (Authorization; Enforceability) and Sections 4.7 (Title to Meredith Exchanged Assets; Liens) and 4.16 (Brokers) shall continue in full force and effect for ten (10) years after the Closing Date; (d) the covenants and agreements of the parties hereto shall continue in full force and effect in perpetuity, except that liability of a party for material breach of the Meredith Interim Covenants and the Fox Interim Covenants shall terminate on the first anniversary of the Closing Date; and (e) any representation or warranty or covenant that is the subject of a claim that is asserted in good faith in writing prior to the expiration of the applicable period set forth above shall survive with respect to such claim or dispute until the final resolution thereof.

11.5 *Entire Agreements; Amendments; and Waivers.* This Agreement and the documents to be delivered by the parties hereto on the date hereof or at the Closing in connection with this Agreement constitute the entire agreement between the parties pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions of the parties, whether oral or written. No amendment, supplement, modification, waiver or termination of this Agreement shall be binding unless executed in writing by the party to be bound thereby. No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. No waiver of any of the provisions of this Agreement shall be deemed or shall

constitute a waiver of any provision or breach of this Agreement, whether or not similar, unless otherwise expressly provided.

11.6 *Expenses.* Except as otherwise specifically provided herein, whether or not the transactions contemplated by this Agreement are consummated, each of the parties hereto shall pay the fees and expenses of its respective counsel, accountants and of incident to the negotiation and preparation of this Agreement and consummation of the transactions contemplated hereby.

11.7 *Benefit; Assignment.* This Agreement shall be binding upon and inure to the benefit of and shall be enforceable by Meredith and Fox and their respective successors and permitted assigns. This Agreement shall not be assigned by any party without the prior written consent of the other party, except as provided in Section 2.4(c).

11.8 *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.

11.9 *Notices.* Notices and other communications provided for herein shall be in writing (which shall include notice by facsimile transmission) and shall be delivered or mailed (or if by graphic scanning or other facsimile communications equipment of the sending party hereto, delivered by such equipment), addressed as follows:

If to Meredith:

Meredith Corporation
1716 Locust Street
De Moines, Iowa 50309-3023
Attention: President, Broadcasting Group
Facsimile No.: (702) 451-4220
Attention: General Counsel
Facsimile No.: (515) 284-3933

with a copy to:

Dow, Lohnes & Albertson, PLLC
1200 New Hampshire Avenue, N.W.
Suite 800
Washington, D.C. 20036
Attention: John T. Byrnes, Esq.
Facsimile No.: (202) 776-2222

If to Fox:

c/o Fox Television Stations, Inc.
205 East 67th Street
New York, NY 10021
Attention: Legal Department
Facsimile No.: (212) 879-1121

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.
Facsimile No.: (212) 768-2026

and a copy to:

Hogan & Hartson L.L.P.
551 Fifth Avenue
New York, New York 10176
Attention: Ira Sheinfeld, Esq. and Mitchell S. Ames, Esq.
Facsimile No.: (212) 697-6686

or to such other address as a party may from time to time designate in writing in accordance with this section. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt provided, however, that if such date is not a Business Day, then such receipt shall be deemed to have occurred on the next succeeding Business Day.

11.10 *Counterparts; Headings.* This Agreement may be executed in several counterparts, each of which shall be deemed an original, but such counterparts shall together constitute but one and the same Agreement. The Article and Section headings in this Agreement are inserted for convenience of reference only and shall not constitute a part hereof.

11.11 *Severability.* If any provision, clause or part of this Agreement or the application thereof under certain circumstances is held invalid, or unenforceable, the remainder of this Agreement, or the application of such provision, clause or part under other circumstances, shall not be affected thereby, unless such severance deprives a party of the benefits of this Agreement in any material respect.

11.12 *No Reliance.* Except for: (x) any assignees permitted by Section 11.7 of this Agreement; and (y) the Meredith Indemnified Parties and the Fox Indemnified Parties to the extent provided in Article IX:

(a) no third party is entitled to rely on any of the representations, warranties or agreements of Meredith, on the one hand, or Fox, on the other, contained in this Agreement; and

(b) Meredith and Fox assume no liability to any third party because of any reliance on the representations, warranties or agreements of Meredith, on the one hand, and Fox, on the other, contained in this Agreement.

11.13 *Governing Law.* This Agreement shall be construed and interpreted according to the laws of the State of New York, without regard to the conflict of law principles thereof.

11.14 *Submission to Jurisdiction; Waivers.* Each of Meredith and Fox hereby irrevocably and unconditionally agree that:

(a) All actions and proceedings arising out of or relating to this Agreement shall be heard and determined in a state or federal court located in the City of New York, and the parties hereto hereby irrevocably submit to the exclusive jurisdiction of such courts in any such action or proceeding and irrevocably waive the defense of an inconvenient forum to the maintenance of any such action or proceeding. Each party agrees not to bring any action or proceeding arising out of or relating to this Agreement in any other court.

(b) Service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such party at its address as provided in Section 11.9.

11.15 *Waiver of Jury Trial.* MEREDITH AND FOX HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY OF ANY DISPUTE ARISING OUT OF OR RELATING TO THIS AGREEMENT AND AGREES THAT ANY SUCH DISPUTE SHALL BE TRIED BEFORE A JUDGE SITTING WITHOUT A JURY.

11.16 *Specific Performance.* Each of the parties to this Agreement agree that each party to this Agreement shall be entitled to a judicial decree of specific performance as a remedy for a breach of this Agreement by any other party hereto prior to Closing, all the Fox Exchanged Assets and the Meredith Exchanged Assets (including the Fox Station and the Meredith Stations) being of a special, unique and extraordinary character.

11.17 *Consents.* For all purposes of this Agreement, the consent of FTS shall be deemed to satisfy any requirement for the consent of Fox hereunder, and the consent of Meredith shall be deemed to satisfy any requirement for the consent of Meredith hereunder.

11.18 *Confidentiality.* Except as required by Law or as necessary for the consummation of the transactions contemplated hereby, each party hereto will keep confidential any information obtained from another party in connection with the transactions contemplated hereby and that is not readily available to the general public. If this agreement is terminated and the transactions contemplated hereby abandoned, then each party will return to the appropriate other party (or destroy) all documents, work papers and other written material that it obtained in connection with the transactions contemplated hereby and will keep such information confidential for a period of three (3) years after such termination; provided, however, that the foregoing confidentiality obligation shall not apply in respect of information (a) ascertainable or obtained from public or published information, (b) received from a third party not known (after inquiry) to such party to be under an obligation to the disclosing party to keep such information confidential, (c) that is or becomes known to the public (other than through a breach of this Agreement), (d) that such party can demonstrate was in its possession prior to disclosure thereof to such party in connection with the transactions contemplated by this Agreement, or (e) that such party can demonstrate it independently developed. The parties hereto agree that this Section 11.18 shall be deemed to supercede the non-disclosure letter agreement by and between Meredith and FTS

dated March 12, 2001 and that such agreement is hereby deemed terminated by the parties as of the date hereof.

[Signature Page Follows]

IN WITNESS WHEREOF the parties have executed this Asset Exchange Agreement as of the day and year first above written.

OREGON TELEVISION, INC.

By: /s/ Lawrence A. Jacobs
Name: Lawrence A. Jacobs
Title: Executive Vice
President/Secretary

FOX TELEVISION STATIONS, INC.

By: /s/ Lawrence A. Jacobs
Name: Lawrence A. Jacobs
Title: Executive Vice
President/Secretary

MEREDITH CORPORATION

By: /s/ John S. Zieser
Name: John S. Zieser
Title: Vice-President-General Counsel
and Secretary

Oregon Television, Inc.
Fox Television Stations, Inc.
205 East 67th Street
New York, New York 10021

March 22, 2002

Meredith Corporation
1716 Locust Street
Des Moines, Iowa 50309-3023

Gentlemen:

The parties hereto, intending to be legally bound, agree as follows:

1. The obligations of the second sentence of this Paragraph 1 shall be subject to, and shall not be effective until (i) the occurrence of the closing under the Asset Exchange Agreement dated of even date herewith by and among Fox Television Stations, Inc. ("FTS"), Oregon Television, Inc. ("OTI") (FTS and OTI collectively, "Fox"), and Meredith Corporation ("Meredith") and (ii) the occurrence of the "Effective Date" (as defined in that certain Letter Agreement by and between Fox Broadcasting Company and Meredith dated of even date herewith) relating to the effectiveness of the Affiliation Agreements for the Meredith Stations as referred to in such Letter Agreement. Fox shall pay to Meredith an aggregate of _____ in cash, payable in immediately available funds to an account designated by Meredith, to be used by Meredith to reduce the network affiliation payments and/or programming obligations at any of the television broadcast stations owned by Meredith or its affiliates and/or as promotional support for the Fox affiliation switch to KPTV or otherwise, all in such manner as may be determined by Meredith in its sole discretion, with _____ of such aggregate amount to be payable on July 1, 2002 if the occurrences specified in the first sentence of this Paragraph 1 have occurred by such date (the date of such occurrences, the "Payment Date"), or if the Payment Date does not occur until after July 1, 2002, at the Payment Date, and with the remaining _____ of such aggregate amount to be payable on the one (1) year anniversary of the date of the _____ payment or the next July 1 following the Payment Date, whichever is earlier, provided that if such date is not a Business Day, on the first Business Day thereafter.

2. This Letter Agreement shall be construed and interpreted according to the laws of the State of New York, without regard to the conflict of law principles thereof.

3. This Letter Agreement may be executed in one or more counterparts, each of which shall constitute an original but when taken together shall constitute one instrument.

Very truly yours,

Oregon Television, Inc.

By: /s/ Paula Wardynski
Name: Paula Wardynski
Title: Vice President

Fox Television Stations, Inc.

By: /s/ Paula Wardynski
Name: Paula Wardynski
Title: Vice President

Accepted and Agreed:

Meredith Corporation

By: /s/ John S. Zieser
Name: John S. Zieser
Title: Vice President – General Counsel and Secretary