As filed with the Securities and Exchange Commission on October 7, 2002.

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form S-3

REGISTRATION STATEMENT
Under
THE SECURITIES ACT OF 1933

The E.W. Scripps Company

(Exact name of registrant as specified in its charter)

Ohio	**31-1223339**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification Number)*

312 Walnut Street

Cincinnati, Ohio 45202
(513) 977-3000
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

M. Denise Kuprionis

Vice President, Corporate Secretary, and Director of Legal Affairs
312 Walnut Street
Cincinnati, Ohio 45202
(513) 977-3000
(Name, address, including zip code, and telephone number, including area code, of agent for service for registrant)

Please send copies of all communications to:

William Appleton, Esq.
Baker & Hostetler LLP
312 Walnut Street, Suite 2650
Cincinnati, Ohio 45202
(513) 929-3400

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of the Registration Statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, check the following box. o

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. ☑

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If delivery of the prospectus is expected to be made pursuant to Rule 343, please check the following box. o

Pursuant to Rule 429 under the Securities Act of 1933, the Registration Statement relates to the Registration Statement filed with the Commission on September 29, 1997 (Reg. No. 333-36641).

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per unit(b)	Proposed maximum aggregate offering price(b)	Amount of registration fee(c)
Debt Securities of The E.W. Scripps Company	$500,000,000(a)	100%	$500,000,000	$46,000

(a) In U.S. dollars or the equivalent thereof in foreign denominated currencies or composite currencies.

(b) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457 under Securities Act of 1933.

The Registrant hereby amends the Registration Statement on such date(s) as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the SEC, acting pursuant to said Section 8(a), may determine.

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Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.

SUBJECT TO COMPLETION, DATED OCTOBER 7, 2002

PROSPECTUS

$500,000,000

The E.W. Scripps Company

Debt Securities

The E.W. Scripps Company (the "Company") intends to sell from time to time, in one or more series, up to $500,000,000 (or the equivalent thereof in foreign denominated currencies or composite currencies) aggregate principal amount of its debt securities ("Debt Securities"). The Debt Securities of each series will be offered on terms to be determined at the time of offering. The specific designation, aggregate principal amount, rate (or method of calculation) and time of payment of any interest, authorized denominations, maturity, offering price, any redemption terms or other specific terms of the Debt Securities are to be set forth in Supplements to this Prospectus (each, a "Prospectus Supplement").

The Debt Securities may be offered for sale to or through one or more underwriters to be designated by the Company, directly to other purchasers or through agents, or through a combination of such methods. See "Plan of Distribution." The names of any underwriters, dealers or selling agents involved in the sale of the Debt Securities and the compensation of such persons will be set forth in the applicable Prospectus Supplement.

This Prospectus may not be used to consummate sales of Debt Securities unless accompanied by the Prospectus Supplement applicable to the Debt Securities being sold.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Prospectus dated , 2002

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No person is authorized to give any information or to make any representation other than those contained or incorporated by reference in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorized. This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities described in this Prospectus or an offer to sell or the solicitation of an offer to buy any securities in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of The E.W. Scripps Company since the date of this Prospectus or that the information contained or incorporated by reference herein is correct as of any time subsequent to the date of such information.

As used in this Prospectus, the terms "Scripps", "we", "our" and "us" may, depending on the context, refer to The E.W. Scripps Company, to one or more of its consolidated subsidiaries or to all of them taken as a whole.

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CERTAIN PERSONS PARTICIPATING IN THIS OFFERING MAY ENGAGE IN TRANSACTIONS THAT STABILIZE, MAINTAIN OR OTHERWISE AFFECT THE PRICE OF THE DEBT SECURITIES, INCLUDING OVER-ALLOTMENT, STABILIZING TRANSACTIONS, SYNDICATE SHORT COVERING TRANSACTIONS AND PENALTY BIDS. FOR A DESCRIPTION OF THESE ACTIVITIES, SEE "PLAN OF DISTRIBUTION."

CAUTIONARY NOTE ABOUT FORWARD-LOOKING INFORMATION

Various statements in or incorporated by reference in this Prospectus and in the Prospectus Supplement are intended to be forward-looking statements under the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on management's current expectations. Forward-looking statements are subject to certain risks, trends and uncertainties that could cause actual results to differ materially from the expectations expressed in the forward-looking statements. Such risks, trends and uncertainties, which in most instances are beyond the Company's control, include changes in advertising demand and other economic conditions; consumers' taste; newsprint prices; program costs; labor relations; technological developments; competitive pressures; interest rates; regulatory rulings; and reliance on third-party vendors for various products and services. The words "believe," "expect," "anticipate," "estimate," "intend" and similar expressions identify forward-looking statements. All forward-looking statements, which are as of the date of this filing, should be evaluated with the understanding of their inherent uncertainty.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange SEC (the "SEC"). You can inspect and copy, at prescribed rates, these reports, proxy statements and other information at the public reference facilities of the SEC at Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information about its public reference rooms. The SEC also maintains a website (http://www.sec.gov) containing reports, proxy statements and other information. You can also inspect and copy the reports, proxy statements and other information we file at the offices of the New York Stock Exchange, on which the Class A Common Shares of the Company are listed, at 20 Broad Street, New York, New York 10005.

We have filed with the SEC a registration statement on Form S-3 (together with all amendments and exhibits thereto, referred to as the "Registration Statement") under the Securities Act of 1933, as amended (the "Securities Act"), with respect to the Debt Securities offered by this Prospectus. This Prospectus does not contain all of the information set forth in the Registration Statement, certain parts of which are omitted in accordance with the rules and regulations of the SEC. For further information regarding us and the Debt Securities offered by this Prospectus, reference is made to the Registration Statement. Statements made in this Prospectus as to the contents of any contract, agreement or other document referred to are not necessarily complete; and with respect to each such contract, agreement or other document filed, or incorporated by reference, as an exhibit to the Registration Statement, reference is made to the exhibit for a more complete description and each such statement shall be deemed qualified in its entirety by such reference.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The SEC allows us to "incorporate by reference" the documents that we file with it, which means that we disclose important information to you by referring to those documents. The information incorporated by reference is considered to be a part of this Prospectus, and information and documents that we file later with the SEC will automatically update and supersede information in this Prospectus. We incorporate by reference the documents listed below and any future filings that we make under Sections 13(a), 13(c), 14 or 15(d) of the Securities and Exchange Act of 1934 (the "Exchange Act"):

1. Annual Report on Form 10-K for the fiscal year ended December 31, 2001.

2. Quarterly Reports on Form 10-Q for the quarters ended March 31, 2002, and June 30, 2002.

3. Current Report on Form 8-K dated August 16, 2002.

If you would like a copy of any of the documents incorporated by reference in this Prospectus, please make your request in writing or by telephone to Vice President-Investor Relations, The E.W. Scripps Company, 312 Walnut Street, 28th floor, Cincinnati, Ohio 45202 (Telephone: (513) 977-3000).

THE E.W. SCRIPPS COMPANY

We are a diversified media company operating in three business segments: newspapers, cable television networks and broadcast television.

Newspapers

We have daily newspapers reaching 21 separate markets with a total daily circulation of 1.320 million and a total Sunday circulation of approximately 1.943 million. Our Washington bureau operates Scripps Howard News Service, a supplemental wire service covering stories in Washington, D.C., other parts of the United States and abroad. Our newspaper segment generated approximately 51% of our total revenues in 2001.

Cable Television Networks

Our four national television networks, Home & Garden Television, Food Network, Do It Yourself and Fine Living, are distributed through cable and satellite television systems. We also have a 12% interest in FOX SportsSouth, a regional television network. Our cable television networks segment generated approximately 23% of our total revenues in 2001.

Broadcast Television

We operate ten broadcast television stations, nine of which are affiliated with national television networks. Six stations are ABC and three are NBC affiliates. Eight of our network affiliate stations are located in one of the top 50 largest television markets. In addition to broadcasting network programming, we focus on producing quality local news programming. Our broadcast television operations generated approximately 19% of the Company's total revenues in 2001.

Pending Acquisition

In August of 2002 we agreed to acquire a 70 percent controlling interest in the Shop At Home television retailing network from Shop At Home, Inc. for $49.5 million in cash and we purchased $3.0 million aggregate amount of Shop At Home Inc. Series D Senior Redeemable Preferred Stock. Related to the transaction, we will loan $47.5 million to Shop At Home Inc., to be repaid in three years. The loan proceeds will be used by Shop At Home Inc. to retire existing debt and will be secured by Shop At Home, Inc.'s television stations in San Francisco, Boston and Cleveland. The transaction is expected to be completed in the fourth quarter of 2002, and will be accounted for as a purchase. Financial results for the Shop At Home Network will be consolidated from the date of acquisition and reported by us under a new, yet to be named business segment.

We are an Ohio corporation and maintain our principal executive offices at 312 Walnut Street, 28th Floor, Cincinnati, Ohio 45202, telephone number (513) 977-3000. Our Class A Common Shares are traded on the New York Stock Exchange under the Symbol "SSP."

USE OF PROCEEDS

Unless otherwise noted in the Prospectus Supplement, the net proceeds received from the sale of the Debt Securities will be used for general corporate purposes, which may include capital expenditures, working capital requirements, reduction of outstanding indebtedness and acquisitions. The precise amount and timing of such proceeds will depend on our funding requirements and the availability and cost of other funds.

More detailed information concerning the use of the proceeds from any particular offering of the Debt Securities will be contained in the Prospectus Supplement relating to such offering.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our consolidated ratio of earnings to fixed charges for the periods shown:

	Six Months Ended June 30,		Year ended December 31,				
	2002	2001	2001	2000	1999	1998	1997
Ratio of Earnings to Fixed Charges	7.58	8.58	6.82	5.76	5.99	5.36	12.87

Earnings used to compute this ratio are earnings before income taxes, after eliminating undistributed earnings of 20% to 50%-owned affiliates, and before fixed charges, excluding capitalized interest and preferred stock dividends of majority-owned subsidiaries. Fixed charges consist of interest, whether expensed or capitalized, amortization of debt issue costs, a portion of rental expense representative of the interest factor and preferred stock dividends of majority-owned subsidiaries.

DESCRIPTION OF DEBT SECURITIES

The Debt Securities are to be issued under an Indenture (the “Indenture”) between Scripps and JPMorgan Chase Bank, as trustee (the “Trustee”). A copy of the Form of Indenture is filed as an exhibit to the Registration Statement of which this Prospectus is a part.

The following summaries of certain provisions of the Indenture describe general terms to which any Debt Securities issued under the Indenture may be subject. The particular terms and provisions of any series of Debt Securities offered by the Prospectus Supplement (the “Offered Debt Securities”) and the extent to which such general terms and provisions described below may apply thereto will be described in the Prospectus Supplement relating to the Offered Debt Securities. Accordingly, for a description of the terms of a particular issue of Debt Securities in respect of which this Prospectus is being delivered, reference must be made both to the Prospectus Supplement relating thereto and the following description.

The following summaries of certain provisions of the Indenture do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of the Indenture, including the definitions therein of capitalized terms which are used but are not defined herein. All Section references used herein are to Sections in the Indenture.

General

The Debt Securities offered hereby will be limited to $500,000,000 (or the equivalent thereof in foreign denominated currencies or composite currencies) aggregate principal amount, although the Indenture does not limit the amount of Debt Securities that may be issued thereunder and provides that Debt Securities may be issued thereunder from time to time in one or more series as from time to time authorized by Scripps. (Section 301). The Indenture does not limit the amount of other indebtedness or securities which may be issued by Scripps or any of its subsidiaries.

Unless otherwise indicated in the Prospectus Supplement, each series of Debt Securities will constitute unsecured and unsubordinated indebtedness of Scripps and will rank on a parity with our other unsecured and unsubordinated indebtedness.

The applicable Prospectus Supplement will describe the terms of the Offered Debt Securities (to the extent applicable), including the following:

(1) the title of the Offered Debt Securities or the particular series thereof;

(2) any limit on the aggregate principal amount of the Offered Debt Securities;

(3) whether the Offered Debt Securities are to be issuable as Registered Securities or Bearer Securities or both, whether any of the Offered Debt Securities are to be issuable initially in

temporary global form and whether any of the Offered Debt Securities are to be issuable in permanent global form;

(4) the price or prices (generally expressed as a percentage of the aggregate principal amount thereof) at which the Offered Debt Securities will be issued;

(5) the date or dates, or the manner of determining the date or dates, on which the Offered Debt Securities will mature;

(6) the rate or rates per annum, or the formula by which such rate or rates shall be determined, at which the Offered Debt Securities will bear interest, if any, and the date or dates from which any such interest will accrue;

(7) the Interest Payment Dates, or the manner of determining the Interest Payment Dates, on which any such interest on the Offered Debt Securities will be payable, the Regular Record Date for any interest payable on any Offered Debt Securities that are Registered Securities on any Interest Payment Date and the extent to which, or the manner in which, any interest payable on a Global Security on an Interest Payment Date will be paid if other than in the manner described below under “Global Securities”;

(8) any mandatory or optional sinking fund or analogous provisions;

(9) each office or agency where, subject to the terms of the Indenture as described below under “Payments and Paying Agents,” the principal of and any premium and interest on the Offered Debt Securities will be payable and each office or agency where, subject to the terms of the Indenture as described below under “Denominations, Registration and Transfer,” the Offered Debt Securities may be presented for registration of transfer or exchange;

(10) the date, if any, after which, and the price or prices at which, the Offered Debt Securities may, pursuant to any optional or mandatory redemption provisions, be redeemed, in whole or in part, and the other detailed terms and provisions of any such optional or mandatory redemption provisions;

(11) the terms and conditions, if any, upon which the Offered Debt Securities will be repayable prior to maturity at the option of the holder thereof (in which case we will comply with the requirements of Section 14(e) and Rule 14e-1 under the Exchange Act in connection therewith, if then applicable);

(12) the denominations in which any Offered Debt Securities which are Registered Securities will be issuable, if other than denominations of $1,000 and any integral multiple thereof, and the denominations in which any Offered Debt Securities which are Bearer Securities will be issuable, if other than denominations of $5,000;

(13) if other than U.S. dollars, the currency, currencies or currency unit or units for which the Offered Debt Securities may be purchased and for which the principal of, and any premium and interest on, the Offered Debt Securities may be payable;

(14) any index used to determine the amount of payments of principal of and any premium and interest on the Offered Debt Securities;

(15) any additional Events of Default and covenants applicable to the Offered Debt Securities; and

(16) any other terms and provisions of the Offered Debt Securities not inconsistent with the terms and provisions of the Indenture.

Any such Prospectus Supplement will also describe any special provisions for the payment of additional amounts with respect to the Offered Debt Securities. (Section 301).

If the purchase price of any of the Debt Securities is denominated in a foreign currency or currencies or foreign currency unit or units or if the principal of and any premium and interest on any series of Debt

Securities is payable in a foreign currency or currencies or foreign currency unit or units, the restrictions, elections, general tax considerations, specific terms and other information with respect to such issue of Debt Securities and such foreign currency or currencies or foreign currency unit or units will be set forth in the Prospectus Supplement.

Debt Securities may bear interest at a fixed rate or a floating rate. Debt Securities may also be issued as original issue discount securities (bearing no interest or interest at a rate which at the time of issuance is below market rates) to be sold at a substantial discount below their stated principal amount. Federal income tax considerations and other special considerations applicable to original issue discount securities will be set forth in the Prospectus Supplement.

Effect of Corporate Structure

The Debt Securities will be obligations of Scripps. Because our operations are conducted primarily through subsidiaries, our cash flow and consequently our ability to service debt, including the Debt Securities, is dependent, in large part, upon the earnings of our subsidiaries and the payment of funds by those subsidiaries to us in the form of loans, dividends or otherwise, which payment is subject to various business considerations. Our subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay any amounts due pursuant to the Debt Securities or to make any funds available therefor.

Any right of Scripps to receive assets of any of our subsidiaries upon their liquidation or reorganization (and the consequent right of the holders of Debt Securities to participate in those assets) will be effectively subordinated to the claims of that subsidiary's creditors (including trade creditors), except to the extent that Scripps is itself recognized as a creditor of such subsidiary. In such case our claims may still be subordinate to the claims of creditors secured by the assets of such subsidiary and any claims of creditors of such subsidiary senior to those held by us.

At June 30, 2002, our subsidiaries had less than $15,000,000 of indebtedness to parties other than Scripps or our subsidiaries (such $15,000,000 does not include program rights obligations and amounts owed to trade creditors and employees). There are no restrictions in the Indenture on the creation of additional indebtedness, including indebtedness of our subsidiaries, and the incurrence of significant amounts of additional indebtedness could have an adverse impact on our ability to service our indebtedness, including the Debt Securities.

Denominations, Registration and Transfer

The Debt Securities may be issuable as Registered Securities, Bearer Securities or both. Debt Securities of a series may be issuable in the form of one or more global Securities, as described below under "Global Securities." Unless otherwise provided in the Prospectus Supplement, Registered Securities denominated in U.S. dollars will be issued only in denominations of $1,000 or any integral multiple thereof and Bearer Securities denominated in U.S. dollars will be issued only in the denomination of $5,000. A global Security will be issued in a denomination equal to the aggregate amount of Outstanding Debt Securities represented by such global Security. The Prospectus Supplement relating to Debt Securities denominated in a foreign or composite currency will specify the authorized denominations thereof. (Sections 201, 203, 301 and 302).

In connection with its sale, during the "restricted period" as defined in Section 1.163-5(c)(2)(i)(D)(7) of the United States Treasury Regulations (generally, the first 40 days after the closing date and, with respect to any unsold allotments, until sold), no Bearer Security shall be mailed or otherwise delivered to any location in the United States (as defined below under "Limitations on Issuance of Bearer Securities") and any such Bearer Security (other than a temporary global Security in bearer form) may be delivered only if the person entitled to receive such Bearer Security furnishes written certification, in the form required by the Indenture, to the effect that such Bearer Security is not being acquired by or on behalf of a United States person (as defined below under "Limitations on Issuance of Bearer Securities"), or, if a beneficial interest in such Bearer Security is being acquired by or on behalf of

a United States person, that such United States person is a person described in Section 1.163-5(c)(2)(i)(D)(6) of the United States Treasury Regulations, or is a financial institution which has purchased such Bearer Security for resale during the restricted period and who certifies that it has not acquired such Bearer Security for purposes of resale directly or indirectly to a United States person or to a person within the United States. (Section 303). See “Payment and Paying Agents” and “Global Securities” below.

Registered Securities of any series will be exchangeable for other Registered Securities of the same series and of a like aggregate principal amount and tenor of different authorized denominations. Additionally, if Debt Securities of any series are issuable as both Registered Securities and as Bearer Securities, at the option of the Holder upon request confirmed in writing, and subject to the terms of the Indenture, Bearer Securities (with all unmatured coupons, except as provided below, and all matured coupons in default, attached) of such series will be exchangeable for Registered Securities of the same series of any authorized denominations and of a like aggregate principal amount and tenor. Unless otherwise indicated in the Prospectus Supplement, any Bearer Security surrendered in exchange for a Registered Security between a Regular Record Date or a Special Record Date and the relevant date for payment of interest shall be surrendered without the coupon relating to such date for payment of interest attached and interest will not be payable in respect of the Registered Security issued in exchange for such Bearer Security, but will be payable only to the Holder of such coupon when due in accordance with the terms of the Indenture. Bearer Securities will not be issued in exchange for Registered Securities. (Section 305).

Debt Securities may be presented for exchange as provided above, and Registered Securities (other than a global Security) may be presented for registration of transfer (with the form of transfer duly executed) at the office of the Security Registrar designated by us for such purpose with respect to any series of Debt Securities and referred to in the Prospectus Supplement, without service charge and upon payment of any taxes and other governmental charges as described in the Indenture. Such transfer or exchange will be effected upon the Company and the Security Registrar being satisfied with the endorsement or written and executed instrument of transfer. We have initially appointed the Trustee as the Security Registrar under the Indenture. (Section 305). If the Prospectus Supplement refers to any transfer agent (in addition to the Security Registrar) initially designated by us with respect to any series of Debt Securities, we may at any time rescind the designation of any such transfer agent or approve a change in the location through which any such transfer agent acts, except that, if Debt Securities of a series are issuable only as Registered Securities, we will be required to maintain a transfer agent in each Place of Payment for such series and, if Debt Securities of a series are issuable as Bearer Securities, the Company will be required to maintain (in addition to the Security Registrar) a transfer agent in a Place of Payment for such series located outside the United States. We may at any time designate additional transfer agents with respect to any series of Debt Securities. (Section 1002).

In the event of any partial redemption, we shall not be required to (i) issue, register the transfer of, or exchange Debt Securities of any series during a period beginning at the opening of business 15 days before any selection of Debt Securities of that series to be redeemed and ending at the close of business on (a) if Debt Securities of the series are issuable as Registered Securities, the day of mailing of the relevant notice of redemption and (b) if Debt Securities of the series are issuable as Bearer Securities, the day of the first publication of the relevant notice of redemption or, if Debt Securities of that series are also issuable as Registered Securities and there is no publication, the mailing of the relevant notice of redemption; (ii) register the transfer of or exchange any Registered Security called for redemption, in whole or in part, except the unredeemed portion of any Registered Security being redeemed in part; or (iii) exchange any Bearer Security called for redemption, except to exchange such Bearer Security for a Registered Security of that same series and of alike principal amount and tenor which is immediately surrendered for redemption. (Section 305).

Payments and Paying Agents

Unless otherwise indicated in the Prospectus Supplement, payment of principal of and any premium and interest on Registered Securities (other than a global Security) will be made at the office of such Paying Agent or Paying Agents as we may designate from time to time, except that, at our option, payment of any interest may be made (i) by check mailed to the address of the payee entitled thereto as such address shall appear in the Security Register or (ii) by wire transfer to an account maintained by such payee with a bank located inside the United States as specified in the Security Register. (Sections 307 and 1002). Unless otherwise indicated in the Prospectus Supplement, payment of any installment of interest on Registered Securities will be made to the person in whose name such Registered Security is registered at the close of business on the Regular Record Date for such interest payment. (Section 307).

Unless otherwise indicated in the Prospectus Supplement, payment of principal of and any premium and interest on Bearer Securities will be payable (subject to applicable laws and regulations) at the offices of such Paying Agent or Paying Agents outside the United States as we may designate from time to time, except that, at our option, payment of any interest may be made by check or by wire transfer to an account maintained by the payee outside the United States. (Sections 307 and 1002). Unless otherwise indicated in the Prospectus Supplement, payment of interest on Bearer Securities on any Interest Payment Date will be made only against surrender of the coupon relating to such Interest Payment Date. (Sections 307 and 1001). No payment of interest on a Bearer Security will be made unless on the earlier of the date of the first such payment by us or the date of delivery by us of a definitive Bearer Security, including a permanent global Security, a written certificate in the form required by the Indenture, is provided to us stating that on such date the Bearer Security is not owned by or on behalf of a United States person (as defined under “Limitations on Issuance of Bearer Securities”) or, if a beneficial interest in such Bearer Security is owned by or on behalf of a United States person, that such United States person is a person described in Section 1.163-5(c)(2)(i)(D)(6) of the United States Treasury Regulations or is a financial institution who has purchased such Bearer Security for resale during the restricted period and who certifies that it has not acquired such Bearer Security for purposes of resale to a United States person or to a person within the United States or its possessions. No payment with respect to any Bearer Security will be made at any office or agency of Scripps in the United States or by check mailed to any address in the United States or by transfer to an account maintained in the United States and payments will not be made in respect of Bearer Securities or coupons appertaining thereto pursuant to presentation to us or our Paying Agents within the United States or any other demand for payment to us or our Paying Agents within the United States. Notwithstanding the foregoing, payment of principal of and any premium and interest on Bearer Securities denominated and payable in U.S. dollars will be made at the office of our Paying Agent in the United States if, and only if, payment of the full amount thereof in U.S. dollars at all offices or agencies outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions. (Section 1002).

Unless otherwise indicated in the Prospectus Supplement, the principal office of the Trustee, 450 West 33rd Street, New York, New York, will be designated as our Paying Agent office for payments with respect to Debt Securities which are issuable solely as Registered Securities. Any Paying Agent Outside the United States and any other Paying Agent in the United States initially designated by us for the Debt Securities will be named in the Prospectus Supplement. We may at any time designate additional Paying Agents or rescind the designation of any Paying Agent or approve a change in the office through which any Paying Agent acts, except that, if Debt Securities of a series are issuable only as Registered Securities, we will be required to maintain a Paying Agent in each Place of Payment for such series and, if Debt Securities of a series are issuable as Bearer Securities, we will be required to maintain (i) a Paying Agent in a Place of Payment for such series in the United States for payments with respect to any Registered Securities of such series (and for payments with respect to Bearer Securities of such series in the circumstances described above, but not otherwise), (ii) a Paying Agent in a Place of Payment located outside the United States where (subject to applicable laws and regulations) Debt Securities of such series and any coupons appertaining thereto may be presented and surrendered for payment; provided that if the

Debt Securities of such series are listed on the London Stock Exchange, the Luxembourg Stock Exchange or any other stock exchange located outside the United States and such stock exchange shall so require, we will maintain a Paying Agent in London or Luxembourg or any other required city located outside the United States, as the case may be, for the Debt Securities of such series, and (iii) a Paying Agent in a Place of Payment located outside the United States where (subject to applicable laws and regulations) Registered Securities of such series may be surrendered for registration of transfer or exchange and where notices and demands to or upon us may be served. (Section 1002).

All moneys paid by us to a Paying Agent for the payment of principal of and any premium and interest on any Debt Security that remains unclaimed at the end of two years after such principal, premium or interest shall have become due and payable will, unless otherwise required by mandatory provisions of applicable escheat, abandoned or unclaimed property law, be repaid to us and thereafter the holder of such Debt Security or any coupon appertaining thereto will look only to us for payment thereof. (Section 1003).

Global Securities

The Debt Securities of a series may be issued in whole or in part in the form of one or more global Securities that will be deposited with, or on behalf of, a depositary identified in the Prospectus Supplement (the "Depositary"). Global Securities may be issued in either registered or bearer form and in either temporary or permanent form. (Section 301). Unless and until it is exchanged for Debt Securities in definitive form, including a permanent global Security, a temporary global Security in registered form may not be transferred except as a whole by the Depositary for such global Security to a nominee of such Depositary or by a nominee of such Depositary to such Depositary or another nominee of such Depositary or by such Depositary or any such nominee to a successor of such Depositary or a nominee of such successor Depositary. (Section 305).

The specific terms of the depositary arrangement with respect to a series of Debt Securities or any part thereof will be described in the Prospectus Supplement. We anticipate that the following provisions will apply to all depositary arrangements relating to global Securities.

Upon the issuance of a global Security, the Depositary for such global Security or its nominee will credit the accounts of persons holding a beneficial interest in such global Security with the respective principal amount of the Debt Securities represented by such global Security. Such accounts shall be designated by the underwriters or agents with respect to such Debt Securities or by us if such Debt Securities are offered and sold directly by us. Ownership of beneficial interests in a global Security will be limited to persons that have accounts with the Depositary for such global Security or its nominee ("participants") or persons that may hold interests through participants. Ownership of beneficial interests in such global Security will be shown on, and the transfer of that ownership will be effected only through, records maintained by the Depositary or its nominee (with respect to interests of persons other than participants). The laws of some states require that certain purchasers of securities take physical delivery of such securities in definitive form. Such limitations and laws may impair the ability to transfer beneficial interests in a global Security.

So long as the Depositary for a global Security, or its nominee, is the registered owner or bearer of such global Security, such Depositary or nominee will be considered the sole owner or holder of the Debt Securities represented by such global Security for all purposes under the Indenture. (Section 308). Except as provided below, owners of beneficial interests in a global Security will not be entitled to have Debt Securities represented by such global Security registered in their names, will not receive or be entitled to receive physical delivery of such Debt Securities in definitive form and will not be considered the owners or holders thereof under the Indenture.

Payment of principal of, and any premium and interest on, Debt Securities registered in the name of a Depositary or its nominee will be made to the Depositary or its nominee, as the case may be, as the registered owner or bearer, as the case may be, of the global Security representing such Debt Securities. Neither Scripps, the Trustee, any Paying Agent nor the Security Registrar for such Debt Securities will

have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests of the global Security for such Debt Securities or for maintaining, supervising or receiving any records relating to such beneficial ownership interests.

We expect that the Depositary or its nominee, upon receipt of any payment of principal, premium or interest, will credit immediately participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of the global Security for such Debt Securities as shown on the records of such Depositary or its nominee, subject to the furnishing of the certificate described above under "Payment and Paying Agents" in the case of a global Security in which interests are exchangeable for Bearer Securities. We also expect that payments by participants to owners of beneficial interests in such global Security held through such participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such participants. Receipt by owners of beneficial interests in a temporary global Security of payments in respect of such temporary global Security will be subject, in the case of a global Security in which interests are exchangeable for Bearer Securities, to the furnishing of the certificate described above under "Payment and Paying Agents."

If the Depositary is at any time unwilling or unable to continue as depositary or the Depositary is no longer eligible to so serve and a successor depositary is not appointed by us within 90 days, we will issue Debt Securities of such series in definitive form in exchange for the global Security representing such series of Debt Securities. Additionally, we may at any time, and in its sole discretion, determine not to have the Registered Securities of a series represented by a global Security and, in such event, we will issue Registered Securities of such series in definitive form in exchange for the global Security representing such series of Registered Securities. Further, if we so specify with respect to the Debt Securities of a series, an owner of a beneficial interest in a global Security representing Debt Securities of such series may, on terms acceptable to us and the Depositary, receive Debt Securities of such series in definitive form. In any such instance, an owner of a beneficial interest in a global Security will be entitled to physical delivery in definitive form of Debt Securities of the series represented by such global Security equal in principal amount to such beneficial interest and to have such Debt Securities registered in its name (if the Debt Securities of such series are issuable as Registered Securities). (Section 305). See, however, "Limitations on Issuance of Bearer Securities" below for a description of certain restrictions on the issuance of a Bearer Security in definitive form in exchange for an interest in a global Security.

Limitations on Issuance of Bearer Securities

In compliance with United States federal tax laws and regulations, during the restricted period (as defined under "Denominations, Registration and Transfer") Bearer Securities may not be offered, sold, resold or delivered in connection with their sale in the United States or to United States persons (each as defined below) except to the extent permitted under Section 1.163-5(c)(2)(i)(D) of the United States Treasury Regulations (the "D Rules"), and any underwriters, agents and dealers participating in the offering of Bearer Securities must agree that they will not offer any Bearer Securities for sale or resale, or sell, in the United States or to United States persons except to the extent permitted by the D Rules, or deliver Bearer Securities within the United States.

Bearer Securities and any coupons appertaining thereto will bear a legend substantially to the following effect: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code." Under Sections 165(j) and 1287(a) of the Internal Revenue Code of 1986, as amended (the "Code"), holders that are United States persons, with certain exceptions, will not be entitled to deduct any loss on Bearer Securities and must treat as ordinary income any gain realized on the sale or other disposition (including the receipt of principal) of Bearer Securities.

As used herein "United States person" means (i) a citizen or resident of the United States, (ii) a corporation or partnership or other entity created or organized in or under the laws of the United States or any political subdivision thereof, (iii) an estate the income of which is subject to United States federal

income taxation regardless of its source, or (iv) a trust which is subject to the primary supervision of a court within the United States and under the control of a United States person as described in Section 7701(a)(30) of the Code. "United States" means the United States of America (including the States and the District of Columbia) and its "possessions," which include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands.

Other restrictions and additional tax considerations may apply to the issuance and holding of Bearer Securities. A description of such restrictions and tax consequences will be set forth in the Prospectus Supplement.

Limitations on Liens on Assets and Sale and Leaseback Transactions

Liens on Assets. So long as any Debt Security remains Outstanding, we will not, and will not permit any Subsidiary to, create or suffer to exist any Mortgage, or otherwise subject to any Mortgage the whole or any part of any property or assets now owned or hereafter acquired by any of them, without securing, or causing such Subsidiary to secure, the Outstanding Debt Securities, and any Indebtedness of Scripps and such Subsidiary which may then be outstanding and entitled to the benefit of a covenant similar in effect to this covenant, equally and ratably with the Indebtedness secured by such Mortgage, for as long as any such Indebtedness is so secured. The foregoing covenant does not apply to the creation, extension, renewal or refunding of the following:

(a) any Mortgage on any property of a corporation existing at the time such corporation is merged into or consolidated with, or at the time such corporation becomes a Subsidiary of Scripps or any Subsidiary or at the time of a sale, lease or other disposition of all or substantially all of the assets of a corporation or other entity to Scripps or such Subsidiary; *provided, however,* that such Mortgage does not spread (i) to other property at such time owned by us or any of our Subsidiaries or (ii) with respect to a merger or consolidation only, to other property thereafter acquired;

(b) any Mortgage (i) on any property acquired or constructed by Scripps or any Subsidiary to secure all or a portion of the price of such acquisition or construction or funds borrowed to pay all or a portion of the price of such acquisition or construction (including any Capitalized Lease Obligation) or (ii) to which any property or asset acquired by Scripps or any Subsidiary is subject as of the date of its acquisition by Scripps or such Subsidiary;

(c) any Mortgage to secure public or statutory obligations or with any governmental agency at any time required by law in order to qualify Scripps or any Subsidiary to conduct its business or any part of its business or in order to entitle it to maintain self-insurance or to obtain the benefits of any law relating to workers' compensation, unemployment insurance, old age pensions or other social security, or with any court, board, commission, or governmental agency as security incident to the proper conduct of any proceeding before it, including any Mortgage securing a letter of credit issued in the ordinary course of business in connection with any of the foregoing;

(d) any Mortgage securing the performance of bids, tenders, leases, contracts (other than for the repayment of borrowed money), statutory obligations, surety and appeal bonds and other obligations of like nature, incurred as an incident to and in the ordinary course of business;

(e) any Mortgage imposed by law, such as carriers', warehousemen's, mechanic's, materialmen's supplier's, repairmen's and vendors' liens, incurred in good faith in the ordinary course of business with respect to obligations not delinquent or which are being contested in good faith by appropriate proceedings and as to which Scripps or the relevant Subsidiary, as the case may be, shall have set aside on its books adequate reserves;

(f) any Mortgage securing the payment of taxes, assessments and governmental charges or levies, either (i) not delinquent or (ii) being contested in good faith by appropriate legal or administrative proceedings and as to which Scripps or the relevant Subsidiary, as the case may be, shall have set aside on its books adequate reserves;

(g) any Mortgage created by or resulting from any litigation or proceeding which is currently being contested in good faith by appropriate proceedings and as to which (i) levy and execution have been stayed and continue to be stayed and (ii) Scripps or the relevant Subsidiary, as the case may be, shall have set aside on its books adequate reserves; or

(h) any Mortgage securing Indebtedness of a wholly owned Subsidiary to Scripps or to another wholly owned Subsidiary for so long as such Indebtedness is held by Scripps or such other wholly owned Subsidiary, in each case subject to no Mortgage held by a Person other than Scripps or such other wholly owned Subsidiary.

Notwithstanding the foregoing, we and any Subsidiary may at any time create or suffer to exist any Mortgage which would otherwise be subject to the foregoing restrictions if the aggregate principal amount of Indebtedness secured by such Mortgage, together with (i) the aggregate principal amount of all other Indebtedness secured by Mortgages of Scripps and any of its Subsidiaries then outstanding which would otherwise be subject to the foregoing restriction (not including Indebtedness secured by Mortgages permitted to be created or exist under paragraphs (a) through (h) above) and (ii) the aggregate in value of all Sale and Leaseback Transactions entered into by Scripps and any of its Subsidiaries at such time which would be subject to the restrictions described under “Sale and Leaseback Transactions” below except for the last paragraph thereunder, does not at any time exceed 15% of Shareholders’ Ownership. (Section 1008).

Sale and Leaseback Transactions. We will not, and will not permit any Subsidiary to, sell or transfer any property or assets owned by Scripps or any Subsidiary with the intention of taking back a lease on such property or assets, except Sale and Leaseback Transactions in which:

(a) the lease in such Sale and Leaseback Transaction is for a period not exceeding three years and Scripps or the Subsidiary which is a party to such lease intends that its use of the property or asset which is the subject of the Sale and Leaseback Transaction will be discontinued on or before the expiration of such period;

(b) the sale or transfer of any property or asset subject to such Sale and Leaseback Transaction is made prior to, at the time of, or within 180 days after the later of the date of the acquisition (including acquisition through merger or consolidation) of such property or asset or the completion of construction or material improvement thereof;

(c) Scripps or any Subsidiary shall apply an amount equal to the value of the property or asset so leased (as determined in any manner approved by the Board of Directors) to the retirement, within 180 days after the effective date of any such arrangement, of any Debt Securities or Indebtedness of Scripps or its Subsidiaries that is not subordinate in right of payment to the Debt Securities; *provided, however,* that the amount to be so applied to the retirement of any Debt Securities or such Indebtedness may be reduced by (i) the principal amount of any Debt Securities delivered within 180 days before or after the effective date of any such arrangement to the Trustee for retirement and cancellation, and (ii) the principal amount of any such Indebtedness, other than Debt Securities, retired (other than at maturity) by Scripps or a Subsidiary within 180 days before or after the effective date of any such arrangement;

(d) the lease in such Sale and Leaseback Transaction secures or relates to obligations issued by the United States, any state thereof or the District of Columbia, or any department, agency or instrumentality or political subdivision of any of the foregoing, or by any other country or any department, agency or instrumentality or political subdivision thereof, or any agent or trustee acting on behalf of any of the foregoing or on behalf of the holders of obligations issued by any of the foregoing, to finance the acquisition or construction or material improvement of the property or asset so leased; or

(e) the Sale and Leaseback Transaction is between or among Scripps and one or more Subsidiaries, or between or among Subsidiaries.

Notwithstanding the foregoing, Scripps and any Subsidiary may at any time enter into a Sale and Leaseback Transaction which would otherwise be subject to the foregoing restrictions if the aggregate in value of such Sale and Leaseback Transaction, together with (i) the aggregate in value of all other Sale and Leaseback Transactions entered into by Scripps and any of its Subsidiaries at such time which would otherwise be subject to the foregoing restriction (not including Sale and Leaseback Transactions permitted to be entered into under paragraphs (a) through (e) above) and (ii) the aggregate principal amount of all other Indebtedness secured by Mortgages of Scripps and any of its Subsidiaries then outstanding which would be subject to the restrictions described under "Liens on Assets" above except for the last paragraph thereunder, does not at any time exceed 15% of Shareholders' Ownership. (Section 1009).

Restrictions on Mergers and Sales of Assets

We may not consolidate with or merge into any other Person, or convey, transfer or lease its properties and assets substantially as an entirety to any Person unless (i) the Person formed by such consolidation or into which Scripps is merged or the Person which acquires by conveyance or transfer, or which leases, the properties and assets of Scripps substantially as an entirety shall be a corporation organized and existing under the laws of the United States, any state thereof or the District of Columbia and shall expressly assume by supplemental indenture the payment of the principal of, premium, if any, interest, if any, on and any sinking fund payment in respect of the Debt Securities and the related coupons and the performance of the other covenants of Scripps under the Indenture, (ii) immediately after giving effect to such transaction, no Event of Default, or event which after notice or lapse of time or both would become an Event of Default, shall have occurred and be continuing; (iii) if, as a result of such transaction, properties or assets of Scripps or any of its Subsidiaries would become subject to a Mortgage not permitted by Section 1008 of the Indenture without equally and ratably securing the Debt Securities as provided therein (see "Limitations on Liens on Assets and Sale and Leaseback Transactions" above), such successor corporation shall have taken such steps as shall be necessary to secure the Debt Securities equally and ratably with (or prior to) all indebtedness secured thereby pursuant to Section 1008 of the Indenture, and (iv) Scripps has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel stating that such transaction and such supplemental indenture comply with the Indenture and that all conditions precedent have been complied with. Notwithstanding the foregoing, Scripps may merge with another Person or acquire by purchase or otherwise all or any part of the property or assets of any other corporation or Person in a transaction in which the surviving entity is Scripps. (Section 801).

Modification and Waiver

Certain modifications and amendments of the Indenture, including the rights of Holders of a series of Outstanding Debt Securities and any related coupons, may be made by Scripps and the Trustee only with the consent of the Holders of 66 2/3% in principal amount of the Outstanding Debt Securities of each series affected by the modification or amendment, provided that no such modification or amendment may, without the consent of the Holder of each Outstanding Debt Security affected thereby: (i) change the stated maturity date of the principal of, or any installment of principal or interest, if any, on, any such Outstanding Debt Security, (ii) reduce the principal amount of, premium, if any, or interest (or change the formula for determining the rate of interest thereon), if any, on any such outstanding Debt Security including in the case of an Original Issue Discount Security (the amount payable upon acceleration of the Maturity thereof); (iii) change the Place of Payment where, or the coin or currency in which, any principal of, premium, if any, or interest, if any, on any such Debt Security is payable; (iv) impair the right to institute suit for the enforcement of any payment on or with respect to any such Debt Security; (v) reduce the above-stated percentage of Outstanding Debt Securities of any series the consent of the Holders of which is necessary to amend the Indenture; (vi) modify the foregoing requirements or reduce the percentage of aggregate principal amount of the Outstanding Debt Securities of any series necessary for waiver of compliance with certain provisions of the Indenture or for waiver of certain defaults; (vii) reduce certain requirements set forth in the Indenture relating to quorums or voting; or (viii) change any obligation of Scripps to maintain a Place of Payment. (Section 902).

The Holders of 66 2/3% in principal amount of the Outstanding Debt Securities of any series may, on behalf of the Holders of all Debt Securities of such series, waive, insofar as such series is concerned, compliance by Scripps with certain restrictive provisions of the Indenture. (Section 1010). The Holders of not less than a majority in principal amount of the Outstanding Debt Securities of any series may on behalf of the Holders of all Debt Securities of such series and any related coupons waive any past default under the Indenture with respect to such series and its consequences, except a default in the payment of the principal of, premium, if any, or interest, if any, on any Debt Security of such series or any related coupon or in respect of a covenant or provision under which the Indenture cannot be modified or amended without consent of the Holder of each Outstanding Debt Security of such series affected. (Section 513).

Events of Default

Each of the following will constitute an event of default under the Indenture with respect to the Debt Securities:

(1) default for 30 days in the payment of any interest on such series;

(2) default in the payment of principal of, and premium, if any, on such series when due;

(3) default in the payment of any sinking fund installment with respect to such series when due;

(4) default for 30 days after appropriate notice by the Trustee or the Holders of at least 25% in principal amount of the Outstanding Debt Securities in performance of any other covenant or warranty in the Indenture (other than a covenant or warranty included in the Indenture solely for the benefit of a series of Debt Securities other than such series);

(5) certain events of bankruptcy, insolvency or reorganization with respect to Scripps; or

(6) any other event established as an Event of Default with respect to such series as stated in the Prospectus Supplement.

In case an Event of Default shall occur and be continuing with respect to any series of Debt Securities, the Trustee or the Holders of not less than 25% in principal amount of the Outstanding Debt Securities of such series may declare the entire principal amount of such series (or, if the Debt Securities of such series are Original Issue Discount Securities, such portion of the principal amount as may be specified in the terms of such series) to be due and payable. (Sections 501 and 502).

A judgment for money damages by courts in the United States, including a money judgment based on an obligation expressed in a foreign currency, will ordinarily be rendered only in U.S. dollars. New York statutory law provides that a court shall render a judgment or decree in the foreign currency of the underlying obligation and that the judgment or decree shall be converted into U.S. dollars at the exchange rate prevailing on the date of entry of the judgment or decree.

If, for the purpose of obtaining a judgment in any court with respect to any obligation of Scripps under any Debt Security or any related coupon, it becomes necessary to convert into any other currency or currency unit any amount in the currency or currency unit due under such Debt Security or coupon, the conversion will be made by the Currency Determination Agent appointed pursuant to the Indenture with respect to such Debt Security at the Market Exchange Rate in effect on the date of entry of the judgment (the “Judgment Date”). If, pursuant to any such judgment, conversion is made on a date (the “Substitute Date”) other than the Judgment Date and a change has occurred between the Market Exchange Rate in effect on the Judgment Date and the Market Exchange Rate in effect on the Substitute Date, the Indenture requires Scripps to pay such additional amounts (if any) as may be necessary to ensure that the amount paid is equal to the amount in such other currency or currency unit which, when converted at the Market Exchange Rate in effect on the Judgment Date, is the amount then due under the Indenture or in respect of such Debt Security or coupon. Scripps will not, however, be required to pay more in the currency or currency unit due under the Indenture or such Debt Security or coupon at the Market Exchange Rate in effect on the Judgment Date than the amount of currency or currency unit stated to be due under the Indenture or such Debt Security or coupon, and Scripps will be entitled to withhold (or be

reimbursed for, as the case may be) any excess of the amount actually realized upon any such conversion on the Substitute Date over the amount due and payable on the Judgment Date. (Section 516).

We are required by law to furnish the Trustee, not less often than annually, with a certificate as to its respective compliance with the conditions and covenants under the Indenture.

Reference is made to the Prospectus Supplement relating to each series of Offered Debt Securities which are Original Issue Discount Securities for the particular provisions relating to acceleration of the maturity of a portion of the principal amount of such Original Issue Discount Securities upon the occurrence of an Event of Default and the continuation thereof.

The Indenture provides that the Trustee may withhold notice to the Holders of the Debt Securities of any default (except in payment of principal, of premium, if any, or interest, if any, or any sinking fund installment) if the board of directors, certain committees or Responsible Officers of the Trustee in good faith determine that the withholding of such notice is in the interest of the Holders of the Debt Securities and related coupons. (Section 602).

Subject to the provisions of the Indenture relating to the duties of the Trustee in case an Event of Default shall occur and be continuing, the Indenture provides that the Trustee shall be under no obligation to exercise any of its rights or powers under the Indenture at the request or direction of the Holders of the Debt Securities unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction. (Section 603). Subject to such provisions for indemnification and certain other rights of the Trustee, the Indenture provides that the Holders of a majority in principal amount of the Outstanding Debt Securities of any series affected shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee with respect to the Debt Securities of such series. (Sections 512 and 603).

No Holder of any Debt Security of any series or any related coupon will have any right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy under the Indenture, unless (i) an Event of Default with respect to such series shall have occurred and be continuing and such Holder shall have previously given to the Trustee written notice of such continuing Event of Default with respect to Debt Securities of such series; (ii) the Holders of at least 25% in principal amount of the Outstanding Debt Securities of such series shall have made written request to the Trustee, and offered reasonable indemnity to the Trustee against the costs, expenses and liability to be incurred in compliance with such request, to institute such proceedings as Trustee, and (iii) the Trustee shall not have received from the Holders of a majority in aggregate principal amount of the Outstanding Debt Securities of such series a direction inconsistent with such request and shall have failed to institute such proceeding within 60 days after receipt of such notice, request and offer of indemnity. (Section 507). However, the Holder of any Debt Security or coupon will have an absolute and unconditional right to receive payment of the principal, of premium, if any, and interest, if any, on such Debt Security or payment of such coupon on or after the due dates expressed in such Debt Security or coupon and to institute suit for the enforcement of any such payment. (Section 508).

Our Directors, officers, employees and stockholders will not have any liability for any of our obligations under the Debt Securities, any related coupons or the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of Debt Securities or coupons, by accepting a Debt Security or coupon, waives and releases all such liability. The waiver and the release are part of the consideration for the issue of the Debt Securities (including any coupons). (Section 113).

Defeasance

Defeasance and Discharge. Except as otherwise set forth in the Prospectus Supplement, we may discharge all of our obligations (except those set forth below) to Holders of any series of Debt Securities issued under the Indenture which have not already been delivered to the Trustee for cancellation if, among other things (i) we irrevocably deposit with the Trustee cash or U.S. Government Obligations or a

combination thereof, as trust funds in trust, in an amount certified to be sufficient to pay and discharge the principal of, any premium or interest on and any mandatory sinking fund payments or analogous payments applicable to the Outstanding Debt Securities of that series when due and such funds have been so deposited for 91 days; (ii) we pay all other sums payable with respect to the Outstanding Debt Securities of such series; (iii) such deposit will not result in a breach of, or constitute a default under, the Indenture or any other agreement or instrument to which we are a party or by which we are bound; (iv) no Event of Default or event which with the giving of notice or lapse of time, or both, would become an Event of Default with respect to the Debt Securities of that series shall have occurred and be continuing on the date of deposit and no bankruptcy in Event of Default or event which with the giving of notice or the lapse of time would become a bankruptcy Event of Default shall have occurred and be continuing on the 91st day after such date; (v) we deliver to the Trustee an Opinion of Counsel or a ruling from or published by the United States Internal Revenue Service to the effect that Holders of Debt Securities of such series will not recognize income, gain or loss for federal income tax purposes as a result of such deposit, defeasance and discharge and will be subject to federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit, defeasance and discharge had not occurred (see "Limitation on Defeasance" below); and (vi) if the Debt Securities of that series are then listed on any domestic or foreign securities exchange, we deliver to the Trustee an Opinion of Counsel to the effect that such deposit, defeasance and discharge will not cause such Debt Securities to be delisted. Upon such discharge, the holders of the Debt Securities and any related coupons shall look for payment only to the funds or obligations deposited with the Trustee (subject to certain exceptions) and the holders of the Debt Securities shall no longer be entitled to the benefits of the Indenture, except for, among other things, (i) rights of registration of transfer and exchange of Debt Securities of such series; (ii) rights of substitution of mutilated, defaced, destroyed, lost or stolen certificates of Debt Securities of such series; (iii) the rights, obligations, duties and immunities of the Trustee; (iv) the rights of Holders of Debt Securities of such series as beneficiaries with respect to property deposited with the Trustee payable to all or any of them; and (v) the obligations of Scripps to maintain an office or agency in respect of Debt Securities of such series. (Section 401).

Defeasance of Certain Covenants and Certain Events of Default. Except as may be otherwise set forth in the Prospectus Supplement, if the terms of the Debt Securities of any series so provide, we may omit to comply with certain restrictive covenants in Section 801(c) (Consolidation, Merger, Conveyance, Transfer or Lease), Sections 1007 (Purchase of Securities by Company or Subsidiary), 1008 (Liens on Assets) and 1009 (Limitation on Sale and Leaseback Transactions), and such failure to comply with Sections 801(c), 1007, 1008 and 1009 of the Indenture, as described in clause (iv) under "Events of Default" above, shall not be deemed to be Events of Default under the Indenture with respect to such series if, among other things, (i) we irrevocably deposit with the Trustee cash or U.S. Government Obligations or a combination thereof, as trust funds in trust, in an amount certified to be sufficient to pay and discharge the principal of, any premium or interest on and any mandatory sinking fund payments or analogous payments applicable to the Outstanding Debt Securities of that series when due and such funds have been so deposited for 91 days; (ii) we pay all other sums payable with respect to the Outstanding Debt Securities of such series; (iii) such deposit will not result in a breach of, or constitute a default under, the Indenture or any other agreement or instrument to which we are a party or by which we are bound; (iv) no Event of Default or event which with the giving of notice or lapse of time, or both, would become an Event of Default with respect to the Debt Securities of that series shall have occurred and be continuing on the date of deposit and no bankruptcy Event of Default or event which with the giving of notice or the lapse of time would become a bankruptcy Event of Default shall have occurred and be continuing on the 91st day after such date; (v) we deliver to the Trustee an Opinion of Counsel or a ruling from or published by the United States Internal Revenue Service to the effect that Holders of Debt Securities of such series will not recognize income, gain or loss for federal income tax purposes as a result of such deposit, defeasance and discharge and will be subject to federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit, defeasance and discharge had not occurred (see "Limitation on Defeasance" below); and (vi) if the Debt Securities of that series are then listed on any domestic or foreign securities exchange, we deliver to the Trustee an

Opinion of Counsel to the effect that such deposit, defeasance and discharge will not cause such Debt Securities to be delisted. Our obligations under the Indenture with respect to the Debt Securities of such series, other than with respect to the covenants referred to in this paragraph, shall remain in full force and effect.

Limitation on Defeasance. Under United States federal income tax law as in effect on the date of this Prospectus, any defeasance will be treated as a taxable exchange of the related Debt Securities for an interest in the trust. Consequently, while these laws are in effect, each Holder of such Debt Securities would recognize gain or loss equal to the difference between the Holder's cost or other tax basis for the Debt Securities and the value of the Holder's interest in the trust, and thereafter will be required to include in income a share of the income, gain and loss of the trust. Prospective investors are urged to consult their own tax advisors as to the specific consequences of such defeasance and any change in law subsequent to the date of this Prospectus. To exercise either option referred to above under "Defeasance and Discharge" and "Defeasance of Certain Covenants and Certain Events of Default," the Company is required to deliver to the Trustee an opinion of independent counsel (which opinion would be based on there having been, since the date of the Indenture, a change in the applicable United States federal income tax law, including a change in official interpretation thereof), or a ruling from or published by the Internal Revenue Service, to the effect that the exercise of such option will not cause the Holders of Debt Securities to recognize income, gain or loss for United States federal income tax purposes, and that such Holders of Debt Securities will be subject to United States federal income tax on the same amount and in the same manner and at the same time as would have been the case if such option had not been exercised.

Notices

Except as may otherwise be set forth in the accompanying Prospectus Supplement, notice to the Holders of Bearer Securities will be given by publication in a daily newspaper in the English language of general circulation in the City of New York and in London, and so long as such Bearer Securities are listed on the Luxembourg Stock Exchange and the Luxembourg Stock Exchange shall so require, in a daily newspaper of general circulation in Luxembourg or, if not practical, elsewhere in Western Europe. Such publication is expected to be made in *The Wall Street Journal*, the *Financial Times* and the *Luxemburger Wort*. Notices to Holders of Registered Securities will be given by first-class mail to the addresses of such Holders as they appear in the Security Register. In the event that notices cannot be given as provided above by publication or mailing, as the case may be, then such notice as shall be made with the approval of the Trustee shall constitute sufficient notice for all purposes. (Section 106).

Title

Title to any Bearer Securities and any coupons appertaining thereto will pass by delivery. Scripps, the Trustee and any agent of Scripps or the Trustee may treat the bearer of any Bearer Security, the bearer of any coupon and the registered owner of any Registered Security as the absolute owner thereof (whether or not such Debt Security or coupon shall be overdue and notwithstanding any notice to the contrary) for the purposes of making payment and for all other purposes (Section 308); provided, however, that Scripps, the Trustee and any agent of Scripps or the Trustee shall treat a person as the Holder of such principal amount of outstanding Debt Securities represented by a permanent global Security as shall be specified in a written statement of the Holder of such permanent global Security, or, in the case of a permanent global Security in bearer form, of Euro-clear, or CEDEL Bank, and produced to the Trustee by such person. (Section 203).

Replacement of Securities and Coupons

Any mutilated Debt Security or a Debt Security with a mutilated coupon appertaining thereto will be replaced by us at the expense of the Holder upon surrender of such Debt Security to the Trustee. Debt Securities or coupons that become destroyed, stolen or lost will be replaced by us at the expense of the Holder upon delivery to us and the Trustee of evidence of any destruction, loss or theft thereof satisfactory to us and the Trustee (provided that Scripps or the Trustee has not been notified that such Debt Security

or coupon has been acquired by a bona fide purchaser); in the case of any coupon which becomes destroyed, stolen or lost, such coupon will be replaced by issuance of a new Debt Security in exchange for the Debt Security to which such coupon appertains. In the case of a destroyed, lost or stolen Debt Security or coupon, an indemnity satisfactory to the Trustee and Scripps may be required at the expense of the Holder of such Debt Security or coupon before a replacement Debt Security will be issued. (Section 306).

Governing Law

The Indenture, the Debt Securities and coupons are governed by, and construed in accordance with the laws of the State of Ohio, provided however, that the immunities and standard of care of the Trustee in connection with the administration of its trust under the Indenture are governed by and construed in accordance with the laws of the State of New York. (Section 114).

Regarding the Trustee

We and certain of our affiliates maintain banking relationships in the ordinary course of business with the Trustee.

Under the Indenture, the Trustee will, to the extent required by the Trust Indenture Act of 1939, as amended, transmit annual reports to all Holders regarding its eligibility and qualifications as Trustee under the Indenture and certain related matters. (Section 703).

PLAN OF DISTRIBUTION

General

We may, from time to time, sell all or part of the Debt Securities on terms determined at the time such Debt Securities are offered for sale to or through underwriters or through selling agents, and also may sell such Debt Securities directly to purchasers. The names of any such underwriters or selling agents in connection with the offer and sale of any series of Debt Securities and the compensation of such persons will be set forth in the Prospectus Supplement relating thereto.

The distribution of the Debt Securities may be effected from time to time in one or more transactions at a fixed price or prices (which may be changed), at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices.

In connection with the sale of Debt Securities, underwriters may receive compensation from the Company or from the purchasers of Debt Securities for whom they may act as agents, in the form of discounts, concessions or commissions. Underwriters may sell Debt Securities to or through dealers, and such dealers may receive compensation in the form of discounts, concessions or commissions from the Underwriters or commissions from the purchasers for whom they may act as agents. Underwriters, dealers and agents participating in the distribution of Debt Securities may be deemed to be underwriters, and any discounts or commissions received by them from us and any profit on the resale of Debt Securities by them may be deemed to be underwriting discounts and commissions, under the Securities Act. Any such compensation received from us will be described in the accompanying Prospectus Supplement.

Underwriters, dealers, selling agents and other persons may be entitled, under agreements which may be entered into with Scripps, to indemnification by us against certain civil liabilities including liabilities under the Securities Act. Such underwriters, dealers and agents may be customers of, engage in transactions with, or perform services for us in the ordinary course of business.

Each series of Debt Securities will be a new issue of securities with no established trading market. In the event that Debt Securities of a series offered hereunder or under the Prospectus Supplement are not listed on a national securities exchange, certain broker-dealers may make a market in the Debt Securities, but will not be obligated to do so and may discontinue any market making at any time without notice. No

assurance can be given that any broker-dealer will make a market in the Debt Securities of any series or as to the liquidity of the trading market for the Debt Securities.

Delayed Delivery Arrangements

If so indicated in the Prospectus Supplement, we may authorize underwriters or other persons acting as our agents to solicit offers by certain institutions to purchase Debt Securities from us pursuant to contracts providing for payment and delivery on a future date. Such contracts may be made with commercial and savings banks, insurance companies, pension funds, investment companies, educational and charitable institutions, and other institutions, but in all cases such institutions must be approved by us. The obligations of any purchaser under any such contract will not be subject to any conditions except that (a) the purchase of the Debt Securities shall not at the time of delivery be prohibited under the laws of the jurisdiction to which such purchaser is subject; and (b) if the Debt Securities are also being sold to underwriters, we shall have sold to such underwriters the Debt Securities not sold for delayed delivery. The underwriters and such other agents will not have any responsibility in respect of the validity or performance of such contracts.

EXPERTS

The consolidated financial statements and the related financial statement schedule incorporated in this Prospectus by reference from our Annual Report on Form 10-K have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report, which is incorporated herein by reference, and has been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

LEGAL MATTERS

Baker & Hostetler LLP, Cincinnati, Ohio will pass upon the legality of the Debt Securities offered hereby for Scripps. John H. Burlingame, an active retired partner of Baker & Hostetler LLP, is a director and a member of the Executive Committee, Compensation Committee, and Chair of the Policy Governance Committee of the Board of Directors of Scripps and a trustee of the Edward W. Scripps Trust. As a trustee, he has the power together with the other trustees of the Edward W. Scripps Trust to vote and dispose of the 29,096,111 Class A Common Shares and the 16,040,000 Common Voting Shares of the Company held by the Trust. Mr. Burlingame disclaims any beneficial interest in such shares held by the Trust.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. ***Other Expenses of Issuance and Distribution.***

Except for the Registration Fee, all expenses are estimated:	
Registration Fee	$ 46,000
Trustee's Fees and Expenses (including counsel fees)	22,000
Accounting Fees and Expenses	25,000
Legal Fees and Expenses	100,000
Printing Expense	60,000
Rating Agency Fees	200,000
Miscellaneous	12,500
Total Expenses	$465,500

Item 15. ***Indemnification of Directors and Officers.***

Section 1701.13 of the Ohio Revised Code grants corporations the power to indemnify their directors and officers in accordance with the provisions set forth therein. The Articles of Incorporation of the Company provide for indemnification of directors and officers of the Company.

Reference is made to the Underwriting Agreement Basic Provisions, filed as Exhibit 1 to this Registration Statement, for information concerning indemnification arrangements among the Company and the underwriters.

Item 16. ***Exhibits.***

4.1	Form of Indenture
4.2	Forms of Debt Securities (included in Exhibit 4.1)
5	Opinion of Baker & Hostetler LLP
10.1	364-Day Competitive Advance and Revolving Credit Facility Agreement
10.2	5-Year Competitive Advance and Revolving Credit Agreement
10.3	Share Purchase Agreement between Shop at Home, Inc. and Scripps Networks, Inc.
12	Computation of Ratio of Earnings to Fixed Charges
23.1	Consent of Baker & Hostetler LLP (included in Exhibit 5)
23.2	Consent of Deloitte & Touche LLP
24	Powers of Attorney
25	Statement of Eligibility and Qualification on Form T-1 of JPMorgan Chase Bank, as Trustee under the Indenture

Item 17. ***Undertakings.***

(a) The Company hereby undertakes:

(1) To file, during any period in which offers or sales of the registered securities are being made, a post-effective amendment to this Registration Statement:

(i) to include any prospectus required by Section 10(a) (3) of the Securities Act of 1933;

(ii) to reflect in the Prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement; and

(iii) to include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement. Notwithstanding the foregoing, any increase or decrease in the volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the SEC pursuant to Rule 424(b) if, in the aggregate, the changes in the volume and price represent no more than a twenty percent (20%) change in the maximum aggregate offering price set forth on the "Calculation of Registration Fee" table in the effective registration statement;

provided, however, that the undertakings set forth in paragraphs (1)(i) and (1)(ii) above do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the Company pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in this Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new Registration Statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The Company hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Company's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of any employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the Registration Statement shall be deemed to be a new Registration Statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers, and controlling persons of the Company pursuant to the provisions described under Item 15 above or otherwise, the Company has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is therefore unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Company of expenses incurred or paid by a director, officer or controlling person of the Company in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Company will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

The Company hereby undertakes that:

(1) For the purpose of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of a registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b) (I) or (4) or 497(h) under the Securities Act of 1933 shall be deemed to be part of the registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, The E.W. Scripps Company certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Cincinnati, State of Ohio, on October 7, 2002.

THE E.W. SCRIPPS COMPANY

By /s/ JOSEPH G. NECASTRO

Joseph G. NeCastro
Senior Vice President and Chief Financial Officer

Pursuant to the requirements of the Securities Act of 1933, this report has been signed below by the following persons on behalf of the Registrant in the capacities indicated, on October 7, 2002

Signature	Title
*	Chairman of the Board
William R. Burleigh	
*	President, Chief Executive Officer and Director (Principal Executive Officer)
Kenneth W. Lowe	
/s/ JOSEPH G. NECASTRO	Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)
Joseph G. NeCastro	
*	Director
John H. Burlingame	
*	Director
Jarl Mohn	
*	Director
Nicholas B. Paumgarten	
*	Director
Nackey E. Scagliotti	
*	Director
Charles E. Scripps	
*	Director
Edward W. Scripps	
*	Director
Paul K. Scripps	
*	Director
Ronald W. Tysoe	
*	Director
Julie A. Wrigley	

*Joseph G. NeCastro, by signing his name hereto, does sign this Registration statement on behalf of the persons indicated above pursuant to the powers of attorney duly executed by such persons and filed as Exhibits to this Registration Statement.

By: /s/ JOSEPH G. NECASTRO

Attorney-in-Fact

Exhibit 4.1

THE E.W. SCRIPPS COMPANY
(ISSUER)

AND

JPMORGAN CHASE BANK
(TRUSTEE)

INDENTURE
DATED AS OF _____, 2002

TABLE OF CONTENTS

CROSS REFERENCE SHEET*

Provisions of Sections 310 through 318(a) inclusive of the Trust Indenture Act and the Indenture dated as of _____, 2002 between The E.W. Scripps Company and JPMorgan Chase Bank, as Trustee.

SECTION OF ACT	SECTION OF INDENTURE
310(a)(1)	609
310(a)(2)	609
310(a)(3)	**
310(a)(4)	**
310(b)	608 and 610(d)
310(c)	**
311(a)	613(a) and 613(c)
311(b)	613(b) and 613(c)
311(c)	**
312(a)	701 and 702(a)
312(b)	702(b)
312(c)	702(c)
313(a)	703(a)
313(b)	703(b)
313(c)	703(c)
313(d)	703(d)
314(a)	704 and 1005
314(b)	**
314(c)	102
314(c)(1)	102
314(c)(2)	102
314(c)(3)	**
314(d)	**
314(e)	102
315(a)	601(a)
315(b)	602
315(c)	601(b)

315(d)(1).....601(a)(i)

315(d)(2).....601(c)(ii)

315(d)(3).....601(c)(iii)

315(e).....514

316(a).....101

316(a)(1)(A).....502 and 512

316(a)(1)(B).....513

316(a)(2).....**

316(b).....508

317(a)(1).....503

317(a)(2).....504

317(b).....1003

318(a).....108

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* This cross reference sheet shall not, for any purpose, be deemed to be a part of the Indenture.
** Not applicable.

INDENTURE, dated as of _____, 2002, between THE E.W. SCRIPPS COMPANY, an Ohio corporation having its principal office at 312 Walnut Street, Cincinnati, Ohio 45201-5380 (the "Company"), and JPMORGAN CHASE BANK, a New York banking corporation, as Trustee (the "Trustee").

WHEREAS, the Company has duly authorized the execution and delivery of this Indenture to provide for the issuance from time to time of its unsecured debentures, notes or other evidences of indebtedness (the "Securities") to be issued in one or more series as provided herein;

NOW, THEREFORE, THIS INDENTURE WITNESSETH that, for and in consideration of the premises and the purchase of the Securities by the Holders (hereinafter defined) thereof, it is mutually agreed, for the equal and proportionate benefit of all Holders of the Securities or series thereof, as follows:

ARTICLE ONE
DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

SECTION 101. DEFINITIONS.

For all purposes of this Indenture and all Securities issued hereunder, except as otherwise expressly provided or unless the context otherwise requires:

(a) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular;

(b) all other terms used herein which are defined in the Trust Indenture Act, either directly or by reference therein, have the meanings assigned to them therein;

(c) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles in the United States and the term "generally accepted accounting principles" with respect to any computation required or permitted hereunder shall mean such accounting principles as are generally accepted in the United States at the date of such computation; and

(d) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision hereof.

Certain terms, used principally in Article Three and Article Six, are defined in those Articles.

"Act," when used with respect to any Holder of a Security, has the meaning specified in Section 104.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control," when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or

indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Authenticating Agent" means any Person authorized by the Trustee pursuant to Section 614 to act on behalf of the Trustee to authenticate Securities of one or more series.

"Authorized Newspaper" means a newspaper, in the English language or in an official language of the country of publication, customarily published on each Business Day, whether or not published on Saturdays, Sundays or holidays, and of general circulation in the place in connection with which the term is used or in the financial community of such place. Where successive publications are required to be made in Authorized Newspapers, the successive publications may be made in the same or in different newspapers in the same city meeting the foregoing requirements and in each case on any Business Day.

"Bearer Security" means any Security established pursuant to Section 201 which is payable to bearer.

"Board of Directors" means the board of directors of the Company or any committee thereof duly authorized to take the relevant action, as the case may be and the context herein requires.

"Board Resolution" means a copy of a resolution of the Board of Directors, certified by the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification and delivered to the Trustee.

"Business Day," when used with respect to any Place of Payment or any other particular location referred to in this Indenture or in the Securities, means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions and trust companies in that Place of Payment or other location are authorized or obligated by law or executive order to close.

"Capital Stock" means, as to shares of a corporation, outstanding shares of stock of any class whether now or hereafter authorized, irrespective of whether such class shall be limited to a fixed sum or percentage in respect of the rights of the holders thereof to participate in dividends and in the distribution of assets upon the voluntary liquidation, dissolution or winding up of such corporation.

"Capitalized Lease Obligation" means, as applied to any Person, any lease of any property (whether real, personal or mixed) by that Person as lessee which, in conformity with generally accepted accounting principles, is required to be accounted for as a capital lease on the balance sheet of that Person, and the amount of such obligation shall be the capitalized amount thereof determined in conformity with generally accepted accounting principles.

"Clearstream" means Clearstream Banking, Societe Anonyme.

"Commission" means the Securities and Exchange Commission, as from time to time constituted, created under the Securities Exchange Act of 1934, as amended, or, if at any time

after the execution of this instrument such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body performing such duties at such time.

"Common Depositary" has the meaning specified in Section 304.

"Company" means the Person named as the "Company" in the first paragraph of this instrument until a successor Person shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Company" shall mean such successor Person.

"Company Request" or "Company Order" means a written request or order signed in the name of the Company by its Chairman of the Board, its President or one of its Vice Presidents, and by its Treasurer, its Secretary or one of its Assistant Secretaries, and delivered to the Trustee.

"Corporate Trust Office" means the office of the Trustee at which at any particular time its corporate trust business shall be principally administered, which office as of the date hereof is at 450 West 33rd Street, New York, NY 10001.

"corporation" means a corporation, association, company, joint-stock company or business trust.

"coupon" means any interest coupon appertaining to a Bearer Security.

"Currency Determination Agent," with respect to Securities of any series, means a New York Clearinghouse bank designated pursuant to Section 301 or Section 311.

"Defaulted Interest" has the meaning specified in Section 307.

"Depositary" means a U.S. Depositary or a Common Depositary.

"Dollar" or "$" means a dollar or other equivalent unit in such coin or currency of the United States as at the time shall be legal tender for the payment of public and private debts.

"Euro-clear" means Euroclear Bank, S.A./N.V, or its successors, as operator of the Euro-clear System.

"Event of Default" has the meaning specified in Section 501.

"Exchange Date" has the meaning specified in Section 304.

"Holder," when used with respect to any Security, means in the case of a Registered Security the Person in whose name a Security is registered in the Security Register and in the case of a Bearer Security (or any temporary global Security) the bearer thereof and, when used with respect to any coupon, means the bearer thereof.

"Indebtedness" of any Person means, without duplication, any indebtedness of such Person in respect of borrowed money, or evidenced by bonds, notes, debentures or similar instruments or letters of credit or representing the balance deferred and unpaid of the purchase

price of any property, if and to the extent any of the foregoing indebtedness would appear as a liability upon a balance sheet of such Person, and shall also include, to the extent not otherwise included, any Capitalized Lease Obligations and Indebtedness secured by a Mortgage to which the property or assets owned or held by such Person is subject, whether or not the obligations secured thereby shall have been assumed; provided, however, that Indebtedness shall not include trade payables and accrued expenses relating to employees.

"Indenture" means this instrument as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof and shall include the terms of particular series of Securities established as contemplated by Section 301.

"interest," when used with respect to an Original Issue Discount Security which by its terms bears interest only after Maturity, means interest payable after Maturity.

"Interest Payment Date," when used with respect to any Security, means the Stated Maturity Date of an installment of interest on such Security.

"Market Exchange Rate" means (i) for any conversion involving a currency unit on the one hand and Dollars or any foreign currency on the other, the exchange rate between the relevant currency unit and Dollars or such foreign currency calculated by the method specified pursuant to Section 301 for the Securities of the relevant series, (ii) for any conversion of Dollars into any foreign currency, the noon (New York City time) buying rate for such foreign currency for cable transfers quoted in New York City as certified for customs purposes by the Federal Reserve Bank of New York and (iii) for any conversion of one foreign currency into Dollars or another foreign currency, the spot rate at noon local time in the relevant market at which, in accordance with the normal banking procedures, the Dollars or foreign currency into which conversion is being made could be purchased with the foreign currency from which conversion is being made from major banks located in either New York City, London, England or any other principal market for Dollars or such purchased foreign currency, in each case determined by the Currency Determination Agent. In the event of the unavailability of any of the exchange rates provided for in the foregoing clauses (i), (ii) and (iii) the Currency Determination Agent shall use, in its sole discretion and without liability on its part, such quotation of the Federal Reserve Bank of New York as of the most recent available date, or quotations from one or more major banks in New York City, London, England or other principal market for such currency or currency unit in question, or such other quotations as the Currency Determination Agent shall deem appropriate. Unless otherwise specified by the Currency Determination Agent, if there is more than one market for dealing in any currency or currency unit by reason of foreign exchange regulations or otherwise, the market to be used in respect of such currency or currency unit shall be that upon which a nonresident issuer of securities denominated in such currency or currency unit would purchase such currency or currency unit in order to make payments in respect of such securities. For purposes of this definition, a "nonresident issuer" shall mean an issuer that is not a resident of the country or countries that issue such currency or whose currencies are included in such currency unit.

"Maturity," when used with respect to any Security, means the date on which the principal of such Security or an installment of principal becomes due and payable as therein or

herein provided, whether at the Stated Maturity Date or by declaration of acceleration, call for redemption or otherwise.

"Mortgage" means and includes any mortgage, pledge, lien, security interest, conditional sale or other title retention agreement or other similar encumbrance.

"Officers' Certificate" means a certificate signed by the Chairman of the Board, the President or a Vice President, and by the Treasurer, an Assistant Treasurer, the Secretary or an Assistant Secretary of the Company and delivered to the Trustee.

"Opinion of Counsel" means a written opinion of counsel, who may be an employee of, or counsel to, the Company, or other counsel who shall be acceptable to the Trustee, in the case of opinions delivered pursuant to Sections 401 and 1011 and, in all other cases, to the Company and the Trustee.

"Original Issue Discount Security" means any Security which provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 502.

"Outstanding," when used with respect to Securities, means, as of the date of determination, all Securities theretofore authenticated and delivered under this Indenture, except:

(a) Securities theretofore canceled by the Trustee or delivered to the Trustee for cancellation;

(b) Securities or portions thereof for whose payment or redemption money in the necessary amount and the required currency has been theretofore deposited with the Trustee or any Paying Agent (other than the Company or any other obligor upon the Securities) in trust or set aside and segregated in trust by the Company or any other obligor upon the Securities (if the Company or such other obligor shall act as its own Paying Agent) for the Holders of such Securities and any coupons thereto appertaining; provided, that if such Securities are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made; and

(c) Securities which have been paid pursuant to Section 306 or in exchange for or in lieu of which other Securities have been authenticated and delivered pursuant to this Indenture, other than any such Securities in respect of which there shall have been presented to the Trustee proof satisfactory to it that such Securities are held by a bona fide purchaser in whose hands such Securities are valid obligations of the Company; provided, however, that in determining whether the holders of the requisite principal amount of the Outstanding Securities have given any request, demand, authorization, direction, notice, consent or waiver hereunder or whether a quorum is present at a meeting of holders of Securities, (x) the principal amount of an Original Issue Discount Security that shall be deemed to be Outstanding shall be the amount of the principal thereof that would be due and payable as of the date of such determination upon a declaration of acceleration of the Maturity thereof pursuant to Section 502, (y) the principal amount of a Security denominated in a foreign currency or currencies or

currency unit shall be the U.S. dollar equivalent, determined as of the date of original issuance of such Security, of the principal amount (or, in the case of an Original Issue Discount Security, the U.S. dollar equivalent on the date of original issuance of such Security of the amount determined as provided in (x) above) of such Security, and (z) Securities owned by the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, or upon any such determination as to the presence of a quorum, only Securities which the Trustee knows to be so owned shall be so disregarded. Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right to act with respect to such Securities and that the pledgee is not the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor.

"Paying Agent" means any Person authorized by the Company to pay the principal of (and premium, if any) or any interest on any Securities on behalf of the Company.

"Person" means any individual, corporation, partnership, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Place of Payment," when used with respect to the Securities of any series, means the place or places where, subject to the provisions of Section 1002, the principal of (and premium, if any) and any interest on the Securities of that series are payable as contemplated by Section 301.

"Predecessor Security" of any particular Security means every previous Security evidencing all or a portion of the same debt as that evidenced by such particular Security, and, for the purposes of this definition, any Security authenticated and delivered under Section 306 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Security or a Security to which a mutilated, destroyed, lost or stolen coupon appertains shall be deemed to evidence the same debt as the mutilated, destroyed, lost or stolen Security or the Security to which the mutilated, destroyed, lost or stolen coupon appertains, as the case may be.

"Redemption Date," when used with respect to any Security to be redeemed, means the date fixed for such redemption by or pursuant to this Indenture.

"Redemption Price," when used with respect to any Security to be redeemed, means the price at which it is to be redeemed pursuant to this Indenture.

"Registered Security" means any Security in the form set forth in either Exhibit A or Exhibit B to this Indenture or established pursuant to Section 201 which is registered in the Security Register.

"Regular Record Date" for the interest payable on any Interest Payment Date on the Registered Securities of any series means the date specified for that purpose as contemplated by Section 301.

"Responsible Officer," when used with respect to the Trustee, means any officer of the Trustee assigned by it to administer its corporate trust matters.

"Sale and Leaseback Transaction" means the sale or transfer of any property or asset owned by the Company or any Subsidiary with the intention of taking back a lease on such property or asset.

"Securities" has the meaning stated in the first recital of this Indenture and more particularly means any Securities authenticated and delivered under this Indenture.

"Security Register" and "Security Registrar" have the respective meanings specified in Section 305.

A "series" of Securities means all Securities denoted as part of the same series authorized by or pursuant to a particular Board Resolution.

"Shareholders' Ownership" means as of any particular time the consolidated capital and surplus (including retained earnings) of the Company and its Subsidiaries, determined in accordance with generally accepted accounting principles, as shown in the most recent monthly consolidated financial statements of the Company and its Subsidiaries.

"Special Record Date" for the payment of any Defaulted Interest on the Registered Securities of any series means a date fixed by the Trustee pursuant to Section 307.

"Stated Maturity Date," when used with respect to any Security or any installment of principal thereof or interest thereon, means the date specified in such Security or a coupon representing such installment of interest as the fixed date on which the principal of such Security or such installment of principal or interest is due and payable.

"Subsidiary" means a corporation more than 50% of the outstanding Voting Stock of which is owned, directly or indirectly, by the Company or by one or more of its Subsidiaries.

"Trustee" means the Person named as the "Trustee" in the first paragraph of this instrument until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Trustee" shall mean or include each Person who is then a Trustee hereunder, and if at any time there is more than one such Person, "Trustee" as used with respect to the Securities of any series shall mean the Trustee with respect to Securities of that series.

"Trust Indenture Act" means the Trust Indenture Act of 1939, as amended and in force at the date as of which this instrument was executed, except as provided in Section 905.

"United States" means the United States of America (including the states and the District of Columbia) and its "possessions" which include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands.

"United States Alien" means any Person who, for United States federal income tax purposes, is a foreign corporation, a non-resident alien individual, a non-resident alien fiduciary

of a foreign estate or trust, or a foreign partnership one or more of the members of which is, for United States federal income tax purposes, a foreign corporation, a non-resident alien individual or a non-resident alien fiduciary of a foreign estate or trust.

"U.S. Depositary" means, with respect to the Securities of any series issuable or issued in whole or in part in the form of one or more permanent global Securities, the Person designated as U.S. Depositary by the Company pursuant to Section 301, which must be a clearing agency registered under the Securities Exchange Act of 1934, as amended, until a successor U.S. Depositary shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "U.S. Depositary" shall mean or include each Person who is then a U.S. Depositary hereunder, and if at any time there is more than one such Person, "U.S. Depositary" shall mean the U.S. Depositary with respect to the Securities of that series.

"U.S. Government Obligations" means direct obligations of the United States for the payment of which its full faith and credit is pledged, or obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States and the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States which, in either case, are not callable or redeemable at the option of the issuer thereof, and shall also include a depository receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act of 1933, as amended) as custodian with respect to any such U.S. Government Obligations or a specific payment of principal or interest on any such U.S. Government Obligations held by such custodian for the account of the holder of such depository receipt, provided that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligations or the specific payment of principal of or interest on the U.S. Government Obligations evidenced by such depository receipt.

"Vice President," when used with respect to the Company, means any vice president, whether or not designated by a number or a word or words added before or after the title "vice president."

"Voting Stock" means stock which ordinarily has voting power for the election of directors, whether at all times or only so long as no senior class of stock has such voting power by reason of any contingency.

SECTION 102. COMPLIANCE CERTIFICATES AND OPINIONS.

Except as otherwise expressly provided by this Indenture, upon any application or request by the Company to the Trustee to take any action under any provision of this Indenture, the Company shall furnish to the Trustee an Officers' Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished. Every certificate or opinion (other than certificates

provided pursuant to Section 1005) with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(a) a statement that each Person signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of each such Person, such Person has made such examination or investigation as is necessary to enable such Person to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether, in the opinion of each such Person, such condition or covenant has been complied with.

SECTION 103. FORM OF DOCUMENTS DELIVERED TO TRUSTEE.

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents. Any certificate or opinion of an officer of the Company may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate, opinion or representations with respect to the matters upon which his certificate or opinion is based is or are erroneous. Any such certificate or Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Company stating that the information with respect to such factual matters is in the possession of the Company, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate, opinion or representations with respect to such matters is or are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

SECTION 104. ACTS OF HOLDERS.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders of any series may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by an agent duly appointed in writing. Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders of such series may, alternatively, be embodied

in and evidenced by the record of Holders of Securities of such series voting in favor thereof, either in person or by proxies duly appointed in writing, at any meeting of holders of Securities of such series duly called and held in accordance with the provisions of Article Thirteen, or a combination of such instruments and any such record. Except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments or record or both are delivered to the Trustee and, where it is hereby expressly required, to the Company. Such instrument or instruments and any such record (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders signing such instrument or instruments and so voting at any such meeting. Proof of execution of any such instrument or of a writing appointing any such agent, or of the holding by any Person of a Security, shall be sufficient for any purpose of this Indenture and (subject to Section 601) conclusive in favor of the Trustee and the Company and any agent of the Trustee or the Company, if made in the manner provided in this Section. The record of any meeting of Holders of Securities shall be proved in the manner provided in Section 1306.

Without limiting the generality of this Section 104, unless otherwise established in or pursuant to a Board Resolution or one or more indentures supplemental hereto pursuant to Section 301, a Holder, including a U.S. Depositary that is a Holder of a permanent global Security, may make, give or take, by a proxy or proxies duly appointed in writing, any request, demand, authorization, direction, notice, consent, waiver or other action provided in this Indenture to be made, given or taken by Holders, and a U.S. Depositary that is a Holder of a permanent global Security may provide its proxy or proxies to the beneficial owners of interests in any such permanent global Security through such U.S. Depositary's standing instructions and customary practices.

The Trustee shall fix a record date for the purpose of determining the Persons who are beneficial owners of interests in any permanent global Security held by a U.S. Depositary entitled under the procedures of such U.S. Depositary to make, give or take, by a proxy or proxies duly appointed in writing, any request, demand, authorization, direction, notice, consent, waiver or other action provided in this Indenture to be made, given or taken by Holders. If such a record date is fixed, the Holders on such record date or their duly appointed proxy or proxies, and only such Persons, shall be entitled to make, give or take such request, demand, authorization, direction, notice, consent, waiver or other action, whether or not such Holders remain Holders after such record date. No such request, demand, authorization, direction, notice, consent, waiver or other action shall be valid or effective if made, given or taken more than 90 days after such record date.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved in any manner which the Trustee deems sufficient.

(c) The principal amount and serial numbers of Registered Securities held by any Person, and the date of holding the same, shall be proved by the Security Register.

(d) The principal amount and serial numbers of Bearer Securities held by any Person, and the date of holding the same, may be proved by the production of such Bearer Securities or by a certificate executed, as depositary, by any trust company, bank,

banker or other depositary, wherever situated, if such certificate shall be deemed by the Trustee to be satisfactory, showing that at the date therein mentioned such Person had on deposit with such depositary, or exhibited to it, the Bearer Securities therein described; or such facts may be proved by the certificate or affidavit of the Person holding such Bearer Securities, if such certificate or affidavit is deemed by the Trustee to be satisfactory. The Trustee and the Company may assume that such ownership of any Bearer Security continues until (i) another certificate or affidavit bearing a later date issued in respect of the same Bearer Security is produced, (ii) such Bearer Security is produced to the Trustee by some other Person, (iii) such Bearer Security is surrendered in exchange for a Registered Security or (iv) such Bearer Security is no longer Outstanding. The principal amounts and serial numbers of Bearer Securities held by any Person, and the date of holding the same, may also be proved in any other manner which the Trustee deems sufficient.

(e) Any request, demand, authorization, direction, notice, consent, waiver or other Act of the Holder of any Security shall bind every future Holder of the same Security and the Holder of every Security issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Trustee or the Company in reliance thereon, whether or not notation of such action is made upon such Security.

SECTION 105. NOTICES, ETC., TO TRUSTEE AND COMPANY.

Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with,

(a) the Trustee by any Holder or by the Company shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to or with the Trustee at its Corporate Trust Office, Attention: Institutional Trust Services, or

(b) the Company by the Trustee or by any Holder shall be sufficient for every purpose hereunder (except as provided in Section 501(d)) if in writing and mailed, first-class postage prepaid, to the Company addressed to it at the address of its principal office specified in the first paragraph of this instrument, to the attention of its Treasurer, or at any other address previously furnished in writing to the Trustee by the Company.

SECTION 106. NOTICE TO HOLDERS OF SECURITIES; WAIVER.

Except as otherwise expressly provided herein or as contemplated by Section 301, where this Indenture provides for notice to Holders of Securities of any event,

(a) such notice shall be sufficiently given to Holders of Registered Securities if in writing and mailed, first-class postage prepaid, to each Holder of a Registered Security affected by such event, at his address as it appears in the Security Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice; and

(b) such notice shall be sufficiently given to Holders of Bearer Securities if published in an Authorized Newspaper in The City of New York and in such other city or cities as may be specified in such Securities on a Business Day at least twice, the first such publication to be not earlier than the earliest date, and the second such publication to be not later than the latest date, prescribed for the giving of such notice, provided that both notices shall not be published on the same Business Day.

In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice to holders of Registered Securities by mail, then such notification as shall be made with the approval of the Trustee shall constitute a sufficient notification for every purpose hereunder. In any case where notice to Holders of Registered Securities is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder of a Registered Security shall affect the sufficiency of such notice with respect to other Holders of Registered Securities or the sufficiency of any notice to Holders of Bearer Securities given as provided herein. Any notice mailed in the manner prescribed by this Indenture shall be deemed to have been given whether or not received by any particular Holder.

In case by reason of the suspension of publication of any Authorized Newspaper or Authorized Newspapers or by reason of any other cause it shall be impracticable to publish any notice to Holders of Bearer Securities as provided above, then such notification to Holders of Bearer Securities as shall be given with the approval of the Trustee shall constitute sufficient notice to such Holders for every purpose hereunder. Neither the failure to give notice by publication to Holders of Bearer Securities as provided above, nor any defect in any notice so published, shall affect the sufficiency of any notice to Holders of Registered Securities given as provided herein.

Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders of Securities shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 107. LANGUAGE OF NOTICES, ETC.

Any request, demand, authorization, direction, notice, consent or waiver required or permitted under this Indenture shall be in the English language, except that any published notice may be in an official language of the country of publication.

SECTION 108. CONFLICT WITH TRUST INDENTURE ACT.

If any provision hereof limits, qualifies or conflicts with any provision of the Trust Indenture Act which is automatically deemed to be included in this Indenture by any of the provisions of the Trust Indenture Act, such provision of the Trust Indenture Act shall control. If any provision of this Indenture modifies or excludes any provision of the Trust Indenture Act which may be so modified or excluded, the former provision shall be deemed to apply to this Indenture as so modified or excluded.

SECTION 109. EFFECT OF HEADINGS AND TABLE OF CONTENTS.

The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 110. SUCCESSORS AND ASSIGNS.

All covenants and agreements in this Indenture by the Company shall bind the Company's successors and assigns, whether so expressed or not.

SECTION 111. SEPARABILITY CLAUSE.

In case any provision in this Indenture or the Securities or coupons shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 112. BENEFITS OF INDENTURE.

Nothing in this Indenture or the Securities or coupons, express or implied, shall give to any Person, other than the Company, the Trustee, their successors hereunder, any Paying Agent, any Securities Registrar and their successors hereunder and the Holders of Securities or coupons, any benefit or any legal or equitable right, remedy or claim under this Indenture.

SECTION 113. EXEMPTION FROM INDIVIDUAL LIABILITY.

No recourse under or upon any obligation, covenant or agreement of this Indenture, or of any Security or coupon, or for any claim based herein or thereon or otherwise in respect hereof or thereof, shall be had against any incorporator, stockholder, employee, agent, officer or director, as such, past, present or future, of the Company or any successor corporation thereof, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly understood that this Indenture and the obligations issued hereunder are solely the corporate obligations of the Company and that no personal liability whatever shall attach to, or is or shall be incurred by, any incorporator, stockholder, employee, agent, officer or director, as such, past, present or future, of the Company or any successor corporation thereof, either directly or indirectly through the Company or any successor corporation thereof because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in this Indenture or in any of the Securities or coupons or implied herefrom or therefrom; and that any and all such personal liability, either at common law or in equity or by constitution or statute, of, and any and all such rights and claims against, every such incorporator, stockholder, employee, agent, officer or director, as such, because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in this Indenture or in any of the Securities or coupons or implied herefrom or therefrom, are hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Indenture and the issue of such Securities and coupons.

SECTION 114. GOVERNING LAW.

The Indenture, the Securities and the coupons shall be governed by and construed in accordance with the internal laws (as opposed to conflicts of laws provisions) of the State of Ohio, provided, however, that the immunities and standard of care of the Trustee in connection with the administration of its trust hereunder shall be governed by and construed in accordance with the laws of the State of New York.

SECTION 115. LEGAL HOLIDAYS.

In any case where any Interest Payment Date, Redemption Date or Stated Maturity Date of any Security shall not be a Business Day at any Place of Payment, then (notwithstanding any other provision of this Indenture or of the Securities or coupons other than a provision in the Securities of any series which specifically states that such provision shall apply in lieu of this Section) payment of any interest or principal (and premium, if any) need not be made at such Place of Payment on such date, but may be made on the next succeeding Business Day at such Place of Payment with the same force and effect as if made on the Interest Payment Date or Redemption Date, or at the Stated Maturity Date, provided that no interest shall accrue on the amount so payable for the period from and after such Interest Payment Date, Redemption Date or Stated Maturity Date, as the case may be.

ARTICLE TWO
SECURITY FORMS

SECTION 201. FORMS GENERALLY.

The Registered Securities, if any, of each series and the Bearer Securities, if any, of each series shall be in substantially the forms set forth in Exhibits A or B to this Indenture (in the case of Registered Securities), or in such form (in the case of Bearer Securities) or such other form (in the case of Registered Securities)(including permanent global form) as shall be established by or pursuant to a Board Resolution or in one or more indentures supplemental hereto, in each case with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or to conform to usage, as may, consistently herewith, be determined by the officers executing such Securities or coupons, as evidenced by their execution of such Securities or coupons. If temporary Securities of any series are issued in global form as permitted by Section 304, the form thereof shall be established as provided in the preceding sentence. Unless otherwise contemplated by Section 301, Bearer Securities shall have interest coupons attached which coupons shall be in substantially the form set forth in Exhibit D to this Indenture, or in such other form as shall be established by or pursuant to a Board Resolution or in one or more indentures supplemental hereto.

Prior to the delivery of a Security of any series in any form to the Trustee for authentication, the Company shall deliver to the Trustee the following:

(1) a copy of the Board Resolution by or pursuant to which such form of Security has been approved;

(2) a copy of the indenture supplemental hereto, if any, by or pursuant to which the Security is to be issued; and

(3) an Officers' Certificate dated the date such Certificate is delivered to such Trustee stating that all conditions precedent provided for in this Indenture relating to the authentication and delivery of Securities in such form have been complied with.

The definitive Securities and coupons, if any, shall be printed, lithographed or engraved on steel engraved borders or may be produced in any other manner, all as determined by the officers executing such Securities, as evidenced by their execution of such Securities or coupons.

SECTION 202. FORM OF TRUSTEE'S CERTIFICATES OF AUTHENTICATION.

The Trustee's certificates of authentication shall be in substantially the following form:

This is one of the Securities of the series designated herein and referred to in the within-mentioned Indenture.

JPMORGAN CHASE BANK, AS TRUSTEE

By

Authorized Officer

SECTION 203. SECURITIES IN GLOBAL FORM.

If Securities of a series are issuable in global form as contemplated by Section 301, then, notwithstanding Section 301(k) and the provisions of Section 302, any such Security shall represent such of the Outstanding Securities of such series having the same terms as shall be specified therein and may provide that it shall represent the aggregate amount of Outstanding Securities from time to time endorsed thereon and that the aggregate amount of Outstanding Securities represented thereby may from time to time be reduced to reflect exchanges. Any endorsement of a Security in global form to reflect the amount, or any increase or decrease in the amount, of Outstanding Securities represented thereby shall be made by the Trustee in such manner and upon instructions given by such Person or Persons as shall be specified therein or in the Company Order to be delivered to the Trustee pursuant to Section 303 or 304. Subject to the provisions of Section 303 and, if applicable, Section 304, the Trustee shall deliver and redeliver any Security in permanent global form in the manner and upon instructions given by the Person or Persons specified therein or in the applicable Company Order. If a Company Order pursuant to Section 303 or 304 has been, or simultaneously is, delivered, any instructions by the Company with respect to endorsement or delivery or redelivery of a Security in global form shall be in writing but need not comply with Section 102 and need not be accompanied by an Opinion of Counsel.

Global Securities may be issued in either registered or bearer form and in either temporary or permanent form.

The provisions of the next to last sentence of Section 303 shall apply to any Security represented by a Security in global form if such Security was never issued and sold by the Company and the Company delivers to the Trustee the Security in global form together with written instructions (which need not comply with Section 102 and need not be accompanied by an Opinion of Counsel) with regard to the reduction in the principal amount of Securities represented thereby, together with the written statement contemplated by the next to last sentence of Section 303.

Notwithstanding the provisions of Sections 201 and 307, unless specified as contemplated by Section 301, payment of principal of and any premium and interest on any Security in permanent global form shall be made to the Person or Persons specified therein.

Notwithstanding the provisions of Section 308 and except as provided in the preceding paragraph, the Company, the Trustee and any agent of the Company and the Trustee shall treat a Person as the Holder of such principal amount of Outstanding Securities represented by a permanent global Security as shall be specified in a written statement of the Holder of such permanent global Security or, in the case of a permanent global Security in bearer form, of Euro-clear or Clearstream and produced to the Trustee by such Person.

ARTICLE THREE
THE SECURITIES

SECTION 301. AMOUNT UNLIMITED; ISSUABLE IN SERIES.

The aggregate principal amount of Securities which may be authenticated and delivered and Outstanding under this Indenture is unlimited.

The Securities may be issued hereunder from time to time in one or more series each of which shall be issued pursuant to a Board Resolution or one or more indentures supplemental hereto. With respect to any particular series of Securities, the Board Resolution or indenture supplemental hereto relating thereto shall specify:

(a) the title of the Securities of the series which shall distinguish the Securities of the series from all other series of Securities;

(b) any limit upon the aggregate principal amount of the Securities of the series which may be authenticated and delivered under this Indenture (except for Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities of the series pursuant to Section 304, 305, 306, 906 or 1107 and except for any Securities which, pursuant to Section 303, are deemed never to have been authenticated and delivered hereunder);

(c) whether Securities of the series are to be issuable as Registered Securities, Bearer Securities or both, whether any Securities of the series are to be issuable initially in temporary global form and whether any Securities of the series are to be issuable in permanent global form, with or without coupons and, if so, (i) whether beneficial owners of interests in any such permanent global Security or temporary global Securities may exchange such interest for Securities of such series and of like tenor of any authorized

form and denomination and the circumstances under which any such exchanges may occur, if other than in the manner provided in Section 305, and (ii) the name of the Common Depositary or the U.S. Depositary, as the case may be, with respect to any global Security or Securities;

(d) the Person to whom any interest on any Registered Security of the series shall be payable, if other than the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, the manner in which, or the Person to whom, any interest on any Bearer Security of the series shall be payable, if otherwise than upon presentation and surrender of the coupons appertaining thereto as they severally mature, and the extent to which, or the manner in which, any interest payable on a temporary global Security on an Interest Payment Date will be paid if other than in the manner provided in Section 304;

(e) the date or dates (or the manner of determining the same) on which the principal of the Securities of the series is payable (which, if so provided in such Board Resolution or indenture supplemental hereto, may be determined by the Company from time to time and set forth in the Security of the series issued from time to time) and whether such date or dates may be extended at the option of the Company;

(f) the rate or rates (or formula for determining such rate or rates) at which the Securities of the series shall bear interest, if any, whether and under what circumstances additional amounts with respect to such Securities as set forth in Section 1004 shall be payable, the date or dates from which any such interest shall accrue (which, in either case or both, if so provided in such Board Resolution or indenture supplemental hereto, may be determined by the Company from time to time and set forth in the Securities of the series issued from time to time), the Interest Payment Dates on which any such interest shall be payable (or the manner of determining the same), and the Regular Record Date for any interest payable on any Registered Securities on any Interest Payment Date and the extent to which, or the manner in which, any interest payable on a temporary global security on an Interest Payment Date will be paid if other than in the manner provided in Section 304;

(g) whether the interest rate or interest rate formula, as the case may be, for Securities of the series may be reset at the option of the Company and, if so, the date or dates on which such interest rate or interest rate formula, as the case may be, may be used;

(h) the place or places where, subject to the provisions of Section 1002, the principal of and any premium and interest on and any additional amounts with respect to Securities of the series as set forth in Section 1004 shall be payable, any Registered Securities of the series may be surrendered for registration of transfer, any Securities of the series may be surrendered for exchange and notices and demands to or upon the Company in respect of the Securities of the series and this Indenture may be served;

(i) the period or periods within which, the price or prices at which, the currency or currency unit in which, and the terms and conditions upon which Securities

of the series may be redeemed, in whole or in part, at the option of the Company or repaid at the option of the Holders;

(j) the obligation, if any, of the Company to redeem or purchase Securities of the series pursuant to any sinking fund or analogous provisions or at the option of a Holder thereof (in which case the Company will comply with the requirements of Section 14(e) and Rule 14e-1 under the Securities Exchange Act of 1934, as amended, in connection therewith, if then applicable) and the period or periods within which, the price or prices at which, the currency or currency unit in which, and the terms and conditions upon which Securities of the series shall be redeemed or purchased, in whole or in part, pursuant to such obligation;

(k) the denominations in which any Registered Securities of the series shall be issuable, if other than denominations of $1,000 and any integral multiple thereof, and the denomination or denominations in which any Bearer Securities of the series shall be issuable, if other than the denomination of $5,000;

(l) the currency or currencies, including composite currencies or currency units, in which payment of the principal of and any premium and interest on and any additional amounts with respect to the Securities of the series as set forth in Section 1004 shall be payable if other than Dollars and, if other than as set forth in Section 101, the method of calculating the Market Exchange Rate;

(m) if the amount of payments of principal of and any premium or interest on the Securities of the series may be determined with reference to an index, the manner in which such amounts shall be determined;

(n) if other than the principal amount thereof, the portion of the principal amount of any Securities of the series which shall be payable upon declaration of acceleration of the Maturity thereof pursuant to Section 502;

(o) any additional Events of Default or covenants with respect to Securities of the series, whether or not such Events of Default or covenants are consistent with the Events of Default or covenants set forth herein and the applicability of Section 1010 to such covenants;

(p) if a Person other than JPMorgan Chase Bank is to act as Trustee for the Securities of the series, the name and location of the Corporate Trust Office of such Trustee;

(q) the extent and manner, if any, to which payment on or in respect of Securities of the series will be senior or will be subordinated to the prior payment of other liabilities and obligations of the Company;

(r) if other than as set forth in Section 401, provisions for the satisfaction and discharge of this Indenture with respect to the Securities of the series;

(s) if so provided, the inapplicability of Section 1008 or 1009 to the Securities of the series;

(t) the date as of which any Bearer Securities of that series and any global Security representing Outstanding Securities of that series shall be dated if other than the date of original issuance of the first Security of the series to be issued;

(u) if so provided, the inapplicability, of Section 1011 to the Securities of the series; and

(v) any other terms of the series (which terms shall not be inconsistent with the provisions of this Indenture).

All Securities of any one series and the coupons appertaining to any Bearer Securities of such series shall be substantially identical except, in the case of Registered Securities, as to denomination and except as may otherwise be provided in or pursuant to the Board Resolution referred to above or in any such indenture supplemental hereto. The terms of such Securities, as set forth above, may be determined by the Company from time to time if so provided in or established pursuant to the authority granted in a Board Resolution or in any such indenture supplemental hereto. All Securities of any one series need not be issued at the same time, and unless otherwise provided, a series may be reopened for issuance of additional Securities of such series.

If any of the terms of the series are established by action taken pursuant to a Board Resolution, a copy of an appropriate record of such action shall be certified by the Secretary or an Assistant Secretary of the Company and delivered to the Trustee at or prior to the deliveries contemplated by Section 201.

SECTION 302. DENOMINATIONS.

Unless otherwise provided as contemplated by Section 301 with respect to any series of Securities, any Registered Securities of a series shall be issuable in denominations of $1,000 and any integral multiple thereof and any Bearer Securities of a series shall be issuable in the denomination of $5,000, and Registered and Bearer Securities shall be payable in Dollars.

SECTION 303. EXECUTION, AUTHENTICATION, DELIVERY AND DATING.

The Securities shall be executed on behalf of the Company by any of its Chairman of the Board, its President, one of its Vice Presidents, its Treasurer or one of its Assistant Treasurers, under its corporate seal reproduced thereon and attested to by its Secretary or any one of its Assistant or Deputy Secretaries. The signature of any of these officers on the Securities may be manual or facsimile. Coupons shall bear the facsimile signature of any such officer of the Company.

Securities and coupons bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Company shall bind the Company, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Securities or did not hold such offices at the date of such Securities.

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Securities of any series, together with any coupons appertaining thereto, executed by the Company to the Trustee for authentication, together with a Company Order for the authentication and delivery of such Securities, and the Trustee in accordance with the Company Order shall authenticate and deliver such Securities; provided, however, that, in connection with its sale, during the "restricted period" (as defined in Section 1.163-5(c)(2)(i)(D)(7) of the United States Treasury Regulations), no Bearer Security shall be mailed or otherwise delivered to any location in the United States; and provided, further, that such Bearer Security (other than a temporary global Security in bearer form) may be delivered outside the United States in connection with its sale only if the Person entitled to receive such Bearer Security shall have furnished to Euro-clear or Clearstream a certificate substantially in the form set forth in Exhibit C.1 to this Indenture. If any Security shall be represented by a permanent global Bearer Security, then, for purposes of this Section and Section 304, the notation of a beneficial owner's interest therein upon original issuance of such Security or upon exchange of a portion of a temporary global Security shall be deemed to constitute, for the purposes of the preceding sentence, delivery of a Bearer Security. Each Bearer Security and any coupons appertaining thereto will bear a legend substantially to the following effect: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code." Except as permitted by Section 304 or 306, the Trustee shall not authenticate and deliver any Bearer Security unless all appurtenant coupons for interest then matured have been detached and canceled. If all the Securities of any one series are not to be issued at one time and if a Board Resolution relating to such Securities shall so permit, such Company Order may set forth procedures acceptable to the Trustee for the issuance of such Securities, including, without limitation, procedures with respect to establishing the interest rate, Stated Maturity Date, date of issuance and date from which interest, if any, shall accrue.

If the forms or terms of the Securities of the series and any related coupons have been established in or pursuant to one or more Board Resolutions as permitted by Sections 201 and 301, in authenticating such Securities, and accepting the additional responsibilities under this Indenture in relation to such Securities, the Trustee shall be entitled to receive, and (subject to Section 601) shall be fully protected in relying upon, an Opinion of Counsel stating:

(a) if the forms of such Securities and any coupons have been established by or pursuant to a Board Resolution as permitted by Section 201, that such forms have been established in conformity with the provision of this Indenture;

(b) if the terms of such Securities and any coupons (or the manner of determining such terms) have been established by or pursuant to a Board Resolution as permitted by Section 301, that such terms (or the manner of determining such terms) have been established in conformity with the provisions of this Indenture;

(c) that Securities, together with any coupons appertaining thereto, when (x) completed by appropriate insertions and executed and delivered by the Company to the Trustee for authentication in accordance with this Indenture, (y) authenticated and delivered by the Trustee in accordance with this Indenture within the authorization as to aggregate principal amount established from time to time by the Board of Directors and

(z) sold by the Company in the manner specified in such Opinion of Counsel, will constitute the legal, valid and binding obligations of the Company, enforceable in accordance with their terms, subject, as to enforcement, to applicable bankruptcy, reorganization, insolvency, moratorium and other laws relating to or affecting creditors' rights generally, to general equitable principles, to an implied covenant of good faith and fair dealing and to such other qualifications as such counsel shall conclude do not materially affect the rights and Holders of such Securities, or, such Opinion of Counsel, at the option of the opinion giver, may state that it is governed by, and shall be interpreted in accordance with, the Legal Opinion Accord of the ABA Section of Business Law then in effect; and

(d) such other matters as the Trustee may reasonably request.

If such form or terms have been so established, the Trustee shall not be required to authenticate such Securities if the issue of such Securities pursuant to this Indenture will affect the Trustee's own rights, duties or immunities under the Securities and this Indenture or otherwise in a manner which is not reasonably acceptable to the Trustee.

Notwithstanding the provisions of Section 301 and of the preceding paragraphs, if all Securities of a series are not to be originally issued at one time, it shall not be necessary to deliver the Board Resolution otherwise required pursuant to Section 301 or the Company Order, the Officers' Certificate and Opinion of Counsel otherwise required pursuant to such preceding paragraphs or Sections 102 and 201 at or prior to the authentication of each Security of such series if such documents are delivered at or prior to the authentication upon original issuance of the first Security of such series to be issued.

Each Registered Security shall be dated the date of its authentication, and, unless otherwise contemplated by Section 301, each Bearer Security and any temporary or permanent Bearer Security in global form shall be dated as of the date of original issuance of the first Security of such series to be issued.

No Security or coupon shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Security a certificate of authentication substantially in the form provided for herein executed by the Trustee by manual signature of an authorized officer, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security shall have been duly authenticated and delivered hereunder. Notwithstanding the foregoing, if any Security shall have been duly authenticated and delivered hereunder but never issued and sold by the Company, and the Company shall deliver such Security to the Trustee for cancellation as provided in Section 309 together with a written statement (which need not comply with Section 102 and need not be accompanied by an Opinion of Counsel) stating that such Security has never been issued and sold by the Company, for all purposes of this Indenture such Security shall be deemed never to have been authenticated and delivered hereunder and shall never be entitled to the benefits of this Indenture.

Each U.S. Depositary designated pursuant to Section 301 for a global Security in registered form must, at the time of its designation and at all times while it serves as U.S.

Depositary, be a clearing agency registered under the Securities Exchange Act of 1934, as amended, and any other applicable statute or regulation.

SECTION 304. TEMPORARY SECURITIES.

Pending the preparation of definitive Securities of any series, the Company may execute, and upon Company Order the Trustee shall authenticate and deliver, in the manner specified in Section 303, temporary Securities which are printed, lithographed, typewritten, photocopied or otherwise produced, in any authorized denomination, substantially of the tenor of the definitive Securities in lieu of which they are issued in registered form or, if authorized, in bearer form with one or more coupons or without coupons, and with such appropriate insertions, omissions, substitutions and other variations as the officers executing such Securities and coupons may determine, as evidenced by their execution of such Securities. In the case of any series issuable as Bearer Securities, such temporary Securities may be in global form.

Except in the case of temporary Securities in global form (which shall be exchanged only in accordance with the provisions of the following paragraphs), if temporary Securities of any series are issued, the Company will cause definitive Securities of that series to be prepared without unreasonable delay. After the preparation of definitive Securities of such series, the temporary Securities of such series shall be exchangeable for definitive Securities of such series upon surrender of the temporary Securities of such series at the office or agency of the Company maintained pursuant to Section 1002 in a Place of Payment for such series for the purpose of exchanges of Securities of such series, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Securities of any series (accompanied by any unmatured coupons and matured coupons in default, if any, appertaining thereto) the Company shall execute and (in accordance with a Company Order delivered at or prior to the authentication of the first definitive Security of such series) the Trustee shall authenticate and deliver in exchange therefor a like aggregate principal amount of definitive Securities of the same series and of like tenor of authorized denominations; provided, however, that no definitive Bearer Securities shall be delivered in exchange for temporary Registered Securities; and provided, further, that a definitive Bearer Security shall be delivered in exchange for a temporary Bearer Security only in compliance with the conditions set forth in Section 303. Until exchanged as hereinabove provided, the temporary Securities of any series shall in all respects be entitled to the same benefits under this Indenture as definitive Securities of the same series and with like terms and conditions, except as to payment of interest, if any, authenticated and delivered hereunder.

If temporary Securities of any series are issued in global form, any such temporary global Security shall, unless otherwise provided therein, be delivered to the London office of a depositary or common depositary (the "Common Depositary"), for the benefit of Euro-clear and Clearstream, for credit to the respective accounts of the beneficial owners of such Securities (or to such other accounts as they may direct).

Without unnecessary delay but in any event not later than the date specified in, or determined pursuant to the terms of, any such temporary global Security which (subject to any applicable laws and regulations) shall be after the conclusion of the restricted period, as defined in Section 303, or within a reasonable period of time thereafter (the "Exchange Date"), the

Company shall deliver to the Trustee definitive Securities, in aggregate principal amount equal to the principal amount of such temporary global Security, or, if so specified as contemplated by Section 301, a permanent global Security, in either case, executed by the Company. On or after the Exchange Date such temporary global Security shall be surrendered by the Common Depositary to the Trustee, as the Company's agent for such purpose, to be exchanged, in whole or from time to time in part, for definitive Securities without charge and the Trustee shall authenticate and deliver, in exchange for each portion of such temporary global Security, an equal aggregate principal amount of definitive Securities of the same series of authorized denominations and of like tenor as the portion of such temporary global Security to be exchanged. The definitive Securities to be delivered in exchange for any such temporary global Security shall be in definitive bearer form, definitive registered form, permanent global bearer form, permanent global registered form or any combination thereof, as specified as contemplated by Section 301, and, if any combination thereof is so specified, as requested by the beneficial owner thereof; provided, however, that, upon such presentation by the Common Depositary, such temporary global Security is accompanied by a certificate dated the Exchange Date or a subsequent date and signed by Euro-clear as to the portion of such temporary global Security held for its account then to be exchanged for a Bearer Security and a certificate dated the Exchange Date or a subsequent date and signed by Clearstream as to the portion of such temporary global Security held for its account then to be exchanged for a Bearer Security, each substantially in the form set forth in Exhibit C.2 to this Indenture; provided, further, that definitive Bearer Securities shall be delivered in exchange for a portion of a temporary global Security only in compliance with the requirements of Section 303; and provided, further, that no definitive Bearer Securities shall be delivered in exchange for temporary Registered Securities.

Unless otherwise specified in such temporary global Security, the interest of a beneficial owner of Securities of a series in a temporary global Security shall be exchanged for definitive Securities of the same series and of like tenor following the Exchange Date when the account holder instructs Euro-clear or Clearstream, as the case may be, to request such exchange on his behalf and delivers to Euro-clear or Clearstream, as the case may be, a certificate substantially in the form set forth in Exhibit C.1 to this Indenture, dated no earlier than 15 days prior to the Exchange Date, copies of which certificate shall be available from the offices of Euro-clear and Clearstream, the Trustee, any Authenticating Agent appointed for such series of Securities and each Paying Agent. Unless otherwise specified in such temporary global Security, exchange shall be made free of charge to the beneficial owner of such temporary global Security, except that a Person receiving definitive Securities must bear the cost of insurance, postage, transportation and the like in the event that such Person does not take delivery of such definitive Securities in person at the offices of Euro-clear or Clearstream. Definitive Securities in bearer form to be delivered in exchange for any portion of a temporary global Security shall be delivered only outside the United States.

Until exchanged in full as hereinabove provided, the temporary Securities of any series shall in all respects be entitled to the same benefits under this Indenture as definitive Securities of the same series and of like tenor authenticated and delivered hereunder, except that, unless otherwise specified as contemplated by Section 301, interest payable on a temporary global Security on an Interest Payment Date for Securities of such series occurring prior to the applicable Exchange Date shall be payable to Euro-clear and Clearstream on such Interest Payment Date upon delivery by Euro-clear and Clearstream to the Trustee of a certificate or

certificates substantially in the form set forth in Exhibit C.2 to this Indenture, for credit without further interest on or after such Interest Payment Date to the respective accounts of the Persons who are the beneficial owners of such temporary global Security on such Interest Payment Date and who have each delivered to Euro-clear or Clearstream, as the case may be, a certificate substantially in the form set forth in Exhibit C.1 to this Indenture. Any interest so received by Euro-clear and Clearstream and not paid as herein provided shall be returned to the Trustee immediately prior to the expiration of two years after such Interest Payment Date in order to be repaid to the Company in accordance with Section 1003.

SECTION 305. REGISTRATION, REGISTRATION OF TRANSFER AND EXCHANGE.

With respect to the Securities of each series, the Company shall cause to be kept at an office or agency to be maintained by the Company in accordance with Section 1002 a register (the "Security Register") in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Registered Securities and the registration of transfers of Registered Securities. The Trustee is hereby appointed "Security Registrar" for the purpose of registering Registered Securities and transfers of Registered Securities as herein provided.

Upon surrender for registration of transfer of any Registered Security of any series at the office or agency of the Company maintained pursuant to Section 1002 for such purpose in a Place of Payment for such series, the Company shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Registered Securities of the same series of any authorized denominations and of a like aggregate principal amount and tenor.

Notwithstanding any other provision of this Section or Section 304, unless and until it is exchanged in whole or in part for Registered Securities in definitive form, a global Security representing all or a portion of the Registered Securities of a series may not be transferred except as a whole by the Depositary for such series to a nominee of such Depositary or by a nominee of such Depositary to such Depositary or another nominee of such Depositary or by such Depositary or any such nominee to a successor Depositary for such series or a nominee of such successor Depositary.

At the option of the Holder, Registered Securities of any series may be exchanged for other Registered Securities of the same series of any authorized denominations and of a like aggregate principal amount and tenor, upon surrender of the Securities to be exchanged at any such office or agency. Whenever any Securities are so surrendered for exchange, the Company shall execute, and the Trustee shall authenticate and deliver, the Securities which the Holder making the exchange is entitled to receive. Bearer Securities may not be issued in exchange for Registered Securities.

At the option of the Holder upon request confirmed in writing, Bearer Securities of any series may be exchanged for Registered Securities of the same series of any authorized denominations and of a like aggregate principal amount and tenor, upon surrender of the Bearer Securities to be exchanged at any such office or agency, with all unmatured coupons and all

matured coupons in default thereto appertaining. If the Holder of a Bearer Security is unable to produce any such unmatured coupon or coupons or matured coupon or coupons in default, such exchange may be effected if the Bearer Securities are accompanied by payment in funds acceptable to the Company (or to the Trustee in case of matured coupons in default) in an amount equal to the face amount of such missing coupon or coupons, or the surrender of such missing coupon or coupons may be waived by the Company and the Trustee if there is furnished to them such security or indemnity as they may require to save each of them and any Paying Agent harmless. If thereafter the Holder of such Security shall surrender to any Paying Agent any such missing coupon in respect of which such a payment shall have been made, such Holder shall be entitled to receive the amount of such payment; provided, however, that, except as otherwise provided in Section 1002, interest represented by coupons shall be payable only upon presentation and surrender of those coupons at any such office or agency located outside the United States. Notwithstanding the foregoing, unless otherwise specified as contemplated by Section 301, in case a Bearer Security of any series is surrendered at any such office or agency in exchange for a Registered Security of the same series and like tenor after the close of business at such office or agency on (a) any Regular Record Date and before the opening of business at such office or agency on the relevant Interest Payment Date, or (b) any Special Record Date and before the opening of business at such office or agency on the related proposed date for payment of Defaulted Interest, such Bearer Security shall be surrendered without the coupon relating to such Interest Payment Date or proposed date for payment, as the case may be (or, if such coupon is so surrendered with such Bearer Security, such coupon shall be returned to the Person so surrendering the Bearer Security), and interest or Defaulted Interest, as the case may be, will not be payable on such Interest Payment Date or proposed date for payment, as the case may be, in respect of the Registered Security issued in exchange for such Bearer Security, but will be payable only to the Holder of such coupon when due in accordance with the provisions of this Indenture.

Whenever any Securities are so surrendered for exchange, the Company shall execute, and the Trustee shall authenticate and deliver, the Securities which the Holder making the exchange is entitled to receive.

Notwithstanding the foregoing, except as otherwise specified as contemplated by Section 301, any permanent global Security shall be exchangeable only as provided in this paragraph. If the beneficial owners of interests in a permanent global Security are entitled to exchange such interests for Securities of such series and of like tenor and principal amount of another authorized form and denomination, as contemplated by Section 301, then without unnecessary delay but in any event not later than the earliest date on which such interests may be so exchanged, the Company shall deliver to the Trustee definitive Securities of that series in aggregate principal amount equal to the principal amount of such permanent global Security, executed by the Company. On or after the earliest date on which such interests may be so exchanged, such permanent global Securities shall be surrendered from time to time by the Common Depositary or the U.S. Depositary, as the case may be, to be exchanged, in whole or in part, for definitive Securities of the same series. Such surrender shall be in accordance with instructions given to the Trustee and the Common Depositary or the U.S. Depositary, as the case may be (which instructions shall be in writing but need not comply with Section 102 or be accompanied by an Opinion of Counsel), as shall be specified in the Company Order with respect thereto to the Trustee, as the Company's agent for such purpose. The Trustee shall

authenticate and make available for delivery, in exchange for each portion of such surrendered permanent global Security, a like aggregate principal amount of definitive Securities of the same series of authorized denominations and of like tenor as the portion of such permanent global Security to be exchanged which (unless the Securities of the series are not issuable both as Bearer Securities and as Registered Securities, in which case the definitive Securities exchanged for the permanent global Security shall be issuable only in the form in which the Securities are issuable, as contemplated by Section 301) shall be in the form of Bearer Securities or Registered Securities, or any combination thereof, as shall be specified by the beneficial owner thereof; provided, however, that no such exchanges may occur during a period beginning at the opening of business 15 days before any selection of Securities of that series to be redeemed and ending on the relevant Redemption Date; and provided, further, that no Bearer Security delivered in exchange for a portion of a permanent global Security shall be mailed or otherwise delivered to any location in the United States. Promptly following any such exchange in part, such permanent global Security shall be returned by the Trustee to the Common Depositary or the U.S. Depositary, as the case may be, or such other depositary or Common Depositary or U.S. Depositary referred to above in accordance with the instructions of the Company referred to above. If a Registered Security is issued in exchange for any portion of a permanent global Security after the close of business at the office or agency where such exchange occurs on (a) any Regular Record Date and before the opening of business at such office or agency on the relevant Interest Payment Date, or (b) any Special Record Date and before the opening of business at such office or agency on the related proposed date for payment of interest or Defaulted Interest, as the case may be, such interest or Defaulted Interest will not be payable on such Interest Payment Date or proposed date for payment, as the case may be, in respect of such Registered Security, but will be payable on such Interest Payment Date or proposed date for payment, as the case may be, only to the Person to whom interest in respect of such portion of such permanent global Security is payable in accordance with the provisions of this Indenture.

If at any time the Depositary for Securities in registered form notifies the Company that it is unwilling or unable to continue as Depositary for such Securities or if at any time the Depositary for such Securities shall no longer be eligible under Section 303, the Company shall appoint a successor Depositary with respect to such Securities. If a successor Depositary for such Securities is not appointed by the Company within 90 days after the Company receives such notice or becomes aware of such ineligibility, the Company's election pursuant to Section 301 shall no longer be effective with respect to the Securities for such series and the Company will execute, and the Trustee, upon receipt of a Company Order for the authentication and delivery of definitive Securities of such series, will authenticate and deliver Securities of such series in definitive form in an aggregate principal amount equal to the principal amount of the global Security or Securities representing such series in exchange for such global Security or Securities.

The Company may at any time and in its sole discretion determine that the Registered Securities of any series issued in the form of one or more global Securities shall no longer be represented by such global Security or Securities. In such event the Company will execute, and the Trustee, upon receipt of a Company Order for the authentication and delivery of definitive Registered Securities of such series, will authenticate and deliver Registered Securities of such series in definitive form and in an aggregate principal amount equal to the principal amount of the global Security or Securities representing such series in exchange for such global Security or Securities.

If specified by the Company pursuant to Section 301 with respect to a series of Securities in registered form, the Depositary for such series of Securities may surrender a global Security for such series of Securities in exchange in whole or in part for Securities of such series of like tenor and terms and in definitive form on such terms as are acceptable to the Company and such Depositary. Thereupon the Company shall execute, and the Trustee shall authenticate and deliver, without service charge, (i) to each Person specified by such Depositary a new Security or Securities of the same series, of like tenor and terms and of any authorized denomination as requested by such Depositary in aggregate principal amount equal to and in exchange for such Person's beneficial interest in the global Security; and (ii) to such Depositary a new global Security of like tenor and terms and in a denomination equal to the difference, if any, between the principal amount of the surrendered global Security and the aggregate principal amount of Securities delivered to Holders thereof.

Upon the exchange of a global Security for Securities in definitive form, such global Security shall be canceled by the Trustee. Registered Securities issued in exchange for a global Security pursuant to this Section shall be registered in such names and in such authorized denominations as the Depositary for such global Security, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Trustee in writing. The Trustee shall deliver such Registered Security to the persons in whose names such Securities are so requested.

All Securities issued upon any registration of transfer or exchange of Securities shall be the valid obligations of the Company evidencing the same debt and entitled to the same benefits under this Indenture as the Securities surrendered upon such registration of transfer or exchange.

Every Registered Security presented or surrendered for registration of transfer or for exchange shall (if so required by the Company or the Trustee or any transfer agent) be duly endorsed, or be accompanied by a written and duly executed instrument of transfer in form satisfactory to the Company and the Security Registrar or any transfer agent, by the Holder thereof or his attorney duly authorized in writing.

No service charge shall be made for any registration of transfer or exchange of Securities, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Securities, other than exchanges pursuant to Section 304, 906 or 1107 not involving any transfer.

The Company shall not be required (a) to issue, register the transfer of or exchange Securities of any series during a period beginning at the opening of business 15 days before any selection of Securities of that series to be redeemed and ending at the close of business on (i) if Securities of the series are issuable only as Registered Securities, the day of the mailing of the relevant notice of redemption and (ii) if Securities of the series are issuable as Bearer Securities, the day of the first publication of the relevant notice of redemption or, if Securities of the series are also issuable as Registered Securities and there is no publication, the mailing of the relevant notice of redemption, or (b) to register the transfer of or exchange any Registered Security so selected for redemption, in whole or in part, except the unredeemed portion of any Security being redeemed in part, or (c) to exchange any Bearer Security so selected for redemption except that such a Bearer Security may be exchanged for a Registered Security of that same series of a

like principal amount and tenor, provided that such Registered Security shall be simultaneously surrendered for redemption.

SECTION 306. MUTILATED, DESTROYED, LOST AND STOLEN SECURITY AND COUPONS.

If any mutilated Security or a Security with a mutilated coupon appertaining to it is surrendered to the Trustee, the Company shall execute and the Trustee shall authenticate and deliver, in exchange for such mutilated Security or in exchange for the Security to which a mutilated coupon appertains, a new Security of the same series and of like tenor and principal amount and bearing a number not contemporaneously outstanding, with coupons corresponding to the coupons, if any, appertaining to such mutilated Security or to the Security to which such mutilated coupon appertains.

If there shall be delivered to the Company and the Trustee (i) evidence to their satisfaction of the destruction, loss or theft of any Security or coupon and (ii) such security or indemnity as may be required by them to save each of them and any agent of any of them harmless, then, in the absence of notice to the Company or the Trustee that such Security or coupon has been acquired by a bona fide purchaser, the Company shall execute and the Trustee shall authenticate and deliver, in lieu of any such destroyed, lost or stolen Security or in exchange for the Security to which a destroyed, lost or stolen coupon appertains (with all appurtenant coupons not destroyed, lost or stolen), a new Security of the same series and of like tenor and principal amount and bearing a number not contemporaneously outstanding, with coupons corresponding to the coupons, if any, appertaining to such destroyed, lost or stolen Security or to the Security to which such destroyed, lost or stolen coupon appertains.

In case any such mutilated, destroyed, lost or stolen Security or coupon has become or is about to become due and payable, the Company in its discretion may, instead of issuing a new Security, pay such Security or coupon (without surrender thereof except in the case of a mutilated Security or coupon) if the applicant for such payment shall furnish to the Company and the Trustee such security or indemnity as may be required by them to save each of them and any agent of any of them harmless, and in the case of destruction, loss or theft, evidence satisfactory to the Company and the Trustee and any agent of them of the destruction, loss or theft of such Security and the ownership thereof; provided, however, that the principal of (and premium, if any) and any interest on Bearer Securities shall, except as otherwise provided in Section 1002, be payable only at an office or agency located outside the United States.

Upon the issuance of any new Security under this Section, the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

Every new Security of any series, with its coupons, if any, issued pursuant to this Section in lieu of any destroyed, lost or stolen Security or in exchange for any mutilated Security, or in exchange for a Security to which a mutilated, destroyed, lost or stolen coupon appertains, shall constitute an original additional contractual obligation of the Company, whether or not the mutilated, destroyed,

lost or stolen Security and its coupons, if any, or the mutilated, destroyed, lost or stolen coupon shall be at any time enforceable by anyone, and any such new Security and coupons, if any, shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Securities of that series and their coupons, if any, duly issued hereunder.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) any other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities or coupons.

SECTION 307. PAYMENT OF INTEREST; INTEREST RIGHTS PRESERVED.

Unless otherwise provided as contemplated by Section 301 with respect to any series of Securities, interest on any Registered Security which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, provided, however that, except as otherwise provided as contemplated by Section 301, interest payable at Maturity will be payable to the Person to whom principal shall be payable.

Unless otherwise provided with respect to the Securities of any series, payment of interest may be made at the option of the Company (i) in the case of Registered Securities, by check mailed or delivered to the address of the Person entitled thereto as such address shall appear in the Security Register or by wire transfer to an account maintained by the payee with a bank located inside the United States as specified in the Security Register, (ii) in the case of Bearer Securities, except as otherwise provided in Section 1002, upon presentation and surrender of the appropriate coupon appertaining thereto at an office or agency of the Company in a Place of Payment located outside the United States or by wire transfer to an account maintained by the payee with a bank located outside the United States.

Unless otherwise provided or contemplated by Section 301, every permanent global Security held by a Common Depositary will provide that interest, if any, payable on any Interest Payment Date will be paid to each of Euro-clear and Clearstream with respect to that portion of such permanent global Security held for its account by the Common Depositary. Each of Euro-clear and Clearstream will in such circumstances credit the interest received by it in respect of such permanent global Security to the accounts of the beneficial owners thereof.

Any interest on any Registered Security of any series which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Holder on the relevant Regular Record Date by virtue of having been such Holder, and such Defaulted Interest may be paid by the Company, at its election, as provided in clause (a) or (b) below:

(a) The Company may elect to make payment of any Defaulted Interest to the Persons in whose names the Registered Securities of such series (or their respective Predecessor Securities) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner: The Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Registered Security of such series and the date of the

proposed payment, and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this clause provided. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 days and not less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Company of such Special Record Date and, in the name and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Holder of Registered Securities of such series at the address of such Holder as it appears in the Security Register, not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been so mailed, such Defaulted Interest shall be paid to the Persons in whose names the Registered Securities of such series (or their respective Predecessor Securities) are registered at the close of business on such Special Record Date and shall no longer be payable pursuant to the following clause (b).

(b) The Company may make payment of any Defaulted Interest on the Registered Securities of any series in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Securities may be listed, and upon such notice as may be required by such exchange, if, after notice given by the Company, to the Trustee of the proposed payment pursuant to this clause, such manner of payment shall be deemed practicable by the Trustee.

Subject to the foregoing provisions of this Section and Section 305, each Security delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any other Security shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Security.

SECTION 308. PERSONS DEEMED OWNERS.

Except as otherwise provided in Section 203, prior to due presentment of a Registered Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name such Registered Security is registered as the owner of such Registered Security for the purpose of receiving payment of principal of (and premium, if any) and (subject to Sections 305 and 307) any interest on such Security and for all other purposes whatsoever, whether or not such Security be overdue, and neither the Company, the Trustee nor any agent of the Company or the Trustee shall be affected by notice to the contrary.

Title to any Bearer Security and any coupons appertaining thereto shall pass by delivery. Except as otherwise provided in Section 203, the Company, the Trustee and any agent of the Company or the Trustee may treat the bearer of any Bearer Security and the bearer of any coupon as the absolute owner of such Security or coupon for the purpose of receiving payment

thereof or on account thereof and for all other purposes whatsoever, whether or not such Security or coupon be overdue, and neither the Company, the Trustee nor any agent of the Company or the Trustee shall be affected by notice to the contrary.

SECTION 309. CANCELLATION.

All Securities and coupons surrendered for payment, redemption, registration of transfer or exchange or for credit against any sinking fund payment shall, if surrendered to any Person other than the Trustee, be delivered to the Trustee. All Securities and coupons so delivered shall be promptly canceled by the Trustee. All Securities and coupons held by the Trustee pending such cancellation shall be deemed to be delivered for cancellation for all purposes of this Indenture and the Securities. The Company may at any time deliver to the Trustee for cancellation any Securities previously authenticated and delivered hereunder which the Company may have acquired in any manner whatsoever, and may deliver to the Trustee (or to any other Person for delivery to the Trustee) for cancellation any Securities previously authenticated hereunder which the Company has not issued and sold, and all Securities so delivered shall be promptly canceled by the Trustee. No securities shall be authenticated in lieu of or in exchange for any Securities canceled as provided in this Section, except as expressly permitted by this Indenture. All canceled Securities and coupons held by the Trustee shall be disposed of by the Trustee in accordance with its standard procedures and the Trustee shall furnish a certificate of such disposition to the Company.

SECTION 310. COMPUTATION OF INTEREST.

Except as otherwise contemplated by Section 301 for Securities of any series, interest on the Securities of each series shall be computed on the basis of a 360-day year of twelve 30-day months.

SECTION 311. APPOINTMENT AND RESIGNATION OF SUCCESSOR CURRENCY DETERMINATION AGENT.

(a) If and so long as the Securities of any series (i) are denominated in a currency unit or a currency other than Dollars or (ii) may be payable in a currency unit or a currency other than Dollars, or so long as it is required under any other provision of this Indenture, then the Company will maintain with respect to each such series of Securities, or as so required, a Currency Determination Agent. The Company will cause the Currency Determination Agent to make the necessary foreign exchange determinations at the time and in the manner specified pursuant to Section 301 for the purpose of determining the applicable rate of exchange and for the purpose of converting the issued currency or currency unit into the applicable payment currency or currency unit for the payment of principal (and premium, if any) and interest, if any.

(b) No resignation or removal of the Currency Determination Agent and no appointment of a successor Currency Determination Agent pursuant to this Section shall become effective until the acceptance of appointment by the successor Currency Determination Agent as evidenced by a written instrument delivered to the Company and the Trustee executed by the successor Currency Determination Agent.

(c) If the Currency Determination Agent shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of the Currency Determination Agent for any cause, with respect to the Securities of one or more series, the Company, by a Board Resolution, shall promptly appoint a successor Currency Determination Agent or Currency Determination Agents with respect to the Securities of that or those series (it being understood that any such successor Currency Determination Agent may be appointed with respect to the Securities of one or more of all of such series and that at any time there shall only be one Currency Determination Agent with respect to the Securities of any particular series).

SECTION 312. CUSIP NUMBERS.

The Company in issuing the Securities may use "CUSIP" numbers (if then generally in use), and, if so, the Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Holders; provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Securities or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Securities, and any such redemption shall not be affected by any defect in or omission of such numbers.

ARTICLE FOUR
SATISFACTION AND DISCHARGE

SECTION 401. SATISFACTION, DISCHARGE AND DEFEASANCE OF SECURITIES OF ANY SERIES PRIOR TO THE STATED MATURITY DATE OTHER THAN UPON REDEMPTION.

With respect to any satisfaction, discharge or defeasance of Securities of a series prior to the Stated Maturity Date or other than upon redemption as contemplated by Section 405, unless otherwise specified as contemplated by Section 301, on the 91st day after the deposit and payment referred to in (i) and (ii) below and satisfaction of the other conditions set forth below: (a) the Company shall be deemed to have paid and discharged the entire indebtedness on all the Outstanding Securities of any such series; (b) the provisions of this Indenture as it related to such Outstanding Securities shall no longer be in effect (except (A) as to the rights of Holders of Securities to receive, from the trust fund described in subparagraph (i) below, payment of (x) the principal of (and premium, if any) and any installment of principal of (and premium, if any) or interest, if any, on such Securities on the Stated Maturity Date of such principal (and premium, if any) or installment of principal (and premium, if any) or interest, if any, or (y) any mandatory sinking fund payments or analogous payments applicable to the Securities of that series on that day on which such payments are due and payable in accordance with the terms of this Indenture and of such Securities or any optional redemption payments on any Redemption Date irrevocably provided for in the trust agreement referred to below, (B) the Company's obligations with respect to such Securities as provided in the last sentence of this Section and (C) the rights, powers, trusts, duties and immunities of the Trustee hereunder, including those under Section 607 hereof); and (c) the Trustee, at the expense of the Company, shall, upon Company Request, execute proper instruments acknowledging satisfaction and discharge of such indebtedness.

The conditions to the foregoing are as follows:

(A) all Securities theretofore authenticated and delivered and all coupons, if any, appertaining thereto (other than (w) coupons appertaining to Bearer Securities surrendered for exchange for Registered Securities and maturing after such exchange, whose surrender is not required or has been waived as provided in Section 305, (x) Securities and coupons which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 306, (y) coupons appertaining to Securities called for redemption and maturing after the relevant Redemption Date, whose surrender has been waived as provided in Section 1106, and (z) Securities and coupons for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Company and thereafter repaid to the Company or discharged from such trust, as provided in Section 1003) have been delivered to the Trustee for cancellation; or

(B) with respect to all Outstanding Securities of such series, with reference to this Section 401, the Company has deposited or caused to be deposited with the Trustee irrevocably (but subject to the provisions of Section 402 and the last paragraph of Section 1003), as trust funds in trust, specifically pledged as security for, and dedicated solely to, the benefit of the Holders of the Securities of that series, (1) lawful money of the United States (or, if the Securities of such series are payable in a currency other than Dollars, lawful money of the payment currency) in an amount, or (2) U.S. Government Obligations which through the payment of interest and principal in respect thereof in accordance with their terms will provide not later than the opening of business on the due dates of any payment referred to in clause (x) or (y) of this subparagraph (i)(B) lawful money of the United States in an amount, or (3) a combination thereof, sufficient, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay and discharge (x) the principal of (and premium, if any) and each installment of principal (and premium, if any) and interest on the Outstanding Securities of that series on the Stated Maturity Date of such principal or installment of principal or interest and (y) any mandatory sinking fund payments or analogous payments applicable to Securities of such series on the day on which such payments are due and payable in accordance with the terms of this Indenture and of such Securities; or any optional redemption payments on any Redemption Date irrevocably provided for in the escrow trust agreement referred to below; or

(C) the Company has properly fulfilled such other means of satisfaction and discharge as is specified, as contemplated by Section 301, to be applicable to the Securities of such series;

(i) the Company has paid or caused to be paid all other sums payable with respect to the Outstanding Securities of such Series;

(ii) such deposit will not result in a breach or violation of, or constitute a default under this Indenture or any other agreement or instrument to which the Company is a party or by which it is bound;

(iii) no Event of Default or event which with the giving of notice or lapse of time, or both, would become an Event of Default with respect to the Securities of that series shall have occurred and be continuing on the date of such deposit and no Event of Default under Section 501(e) or Section 501(f) or event which with the giving of notice or lapse of time, or both, would become an Event of Default under Section 501(e) or Section 501(f) shall have occurred and be continuing on the 91st day after such deposit;

(iv) the Company has delivered to the Trustee an Opinion of Counsel or a ruling from or published by the United States Internal Revenue Service, to the effect that Holders of Securities of such series will not recognize income, gain or loss for federal income tax purposes as a result of such deposit, defeasance and discharge and will be subject to federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit, defeasance and discharge had not occurred;

(v) if the Securities of that series are then listed on any domestic or foreign securities exchange, the Company shall have delivered to the Trustee an Opinion of Counsel to the effect that such deposit, defeasance and discharge will not cause such Securities to be delisted; and

(vi) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of the entire indebtedness on all Outstanding Securities of any such series have been complied with and an Opinion of Counsel to the effect that either (A) as a result of such deposit and the related exercise of the Company's option under this Section 401, registration is not required under the Investment Company Act of 1940, as amended, by the Company, the trust funds representing such deposit or the Trustee or (B) all necessary registrations under said Act have been effected.

Any deposits with the Trustee referred to in Section 401(i)(B) above shall be irrevocable and shall be made under the terms of an escrow trust agreement in form satisfactory to the Trustee. If any Outstanding Securities of such series are to be redeemed prior to their Stated Maturity Date, whether pursuant to any optional redemption provisions or in accordance with any mandatory sinking fund requirement, the applicable escrow trust agreement shall provide therefor and the Company shall make such irrevocable arrangements as are satisfactory to the

Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company.

Upon the satisfaction of the conditions set forth in this Section 401 with respect to all the Outstanding Securities of any series, the terms and conditions of such series, including the terms and conditions with respect thereto set forth in this Indenture, shall no longer be binding upon, or applicable to, the Company and the Holders of the Securities of such series and any related coupons shall look for payment only to the funds or obligations deposited with the Trustee pursuant to this Section 401; provided, however, that in no event shall the Company be discharged from (i) any payment obligations in respect of Securities of such series which are deemed not to be Outstanding under clause (c) of the definition thereof if such obligations continue to be valid obligations of the Company under applicable law, (ii) any obligations to the Trustee under Sections 402(b), 607, 610, 611, 1004, 1011 and the last paragraph of Section 1003 and (iii) from any obligations under Sections 304, 305 and 306 (except such Securities issued upon registration of transfer or exchange or in lieu of mutilated, destroyed, lost or stolen Securities and any related coupons shall not be obligations of the Company) and Sections 516, 701, 1002, 1003 and 1004.

SECTION 402. APPLICATION OF TRUST MONEY.

(a) Subject to the provisions of the last paragraph of Section 1003, all money deposited with the Trustee pursuant to Section 401 or 1011 shall be held irrevocably in trust and shall be made under the terms of an escrow trust agreement in form satisfactory to the Trustee and applied by it, in accordance with the provisions of the Securities, the coupons and this Indenture and such escrow trust agreement, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Persons entitled thereto, of the principal (and premium, if any) and any interest for whose payment such money has been deposited with the Trustee.

(b) The Company shall pay and shall indemnify the Trustee for any series of Securities against any tax, fee or other charge imposed on or assessed against U.S. Government Obligations deposited pursuant to Section 401 or Section 1011 or the interest and principal received in respect of such U.S. Government Obligations other than any such tax, fee or other charge which by law is payable by or on behalf of Holders. The obligation of the Company under this Section 402(b) shall be deemed to be an obligation of the Company under Section 607(b).

SECTION 403. SATISFACTION AND DISCHARGE OF INDENTURE.

Upon compliance by the Company with the provisions of Section 401 or Section 405 as to the satisfaction and discharge of each series of Securities issued hereunder, and if the Company has paid or caused to be paid all other sums payable under this Indenture and if the Company shall have determined not to issue any additional series of Securities hereunder and shall have given notice of such determination to the Trustees for all series of Securities, this Indenture shall cease to be of any further effect (except as otherwise provided herein). Upon Company Request and receipt of an Opinion of Counsel and an Officers' Certificate complying

with the provisions of Section 102, the Trustees for all series of Securities (at the expense of the Company) shall execute proper instruments acknowledging satisfaction and discharge of this Indenture.

SECTION 404. REINSTATEMENT.

If the Trustee is unable to apply any money or U.S. Government Obligations in accordance with Section 401 by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Company's obligations under this Indenture, the Securities and the coupons, if any, appertaining thereto shall be revived and reinstated as though no deposit had occurred pursuant to Section 401 until such time as the Trustee is permitted to apply all such money or U.S. Government Obligations in accordance with Section 401; provided, however, that if the Company has made any payment of principal of or any premium or interest on any Securities or coupons because of the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders of such Securities or coupons to receive such payment from the money or U.S. Government Obligations held by the Trustee.

SECTION 405. SATISFACTION AND DISCHARGE OF SECURITIES OF A SERIES AT THE STATED MATURITY DATE OR UPON REDEMPTION.

If at any time (a) the Company shall have delivered or caused to be delivered to the Trustee for cancellation all Securities of a series theretofore authenticated (other than any Securities of such series which shall have been destroyed, lost or stolen and which shall have been replaced or paid as provided in Section 306), and not theretofore cancelled, or (b) all Securities of such series not theretofore delivered to the Trustee for cancellation shall have become due and payable (either upon the Stated Maturity Date or upon redemption), and the Company shall deposit with the Trustee as trust funds the entire amount sufficient to pay at the Stated Maturity Date or upon redemption all Securities of such series (other than any Securities of such series which shall have been mutilated, destroyed, lost or stolen and which shall have been replaced or paid as provided in Section 306) not theretofore delivered to the Trustee for cancellation, including principal and premium, if any and interest, if any, due to such Stated Maturity Date or Redemption Date, as the case may be, such funds to be immediately due and payable to the Holders of the Securities of such series, and if in either case the Company shall also pay or cause to be paid all other sums payable hereunder by the Company, and shall deliver to the Trustee an Officers' Certificate stating that all conditions precedent to the satisfaction and discharge of the entire indebtedness on all Outstanding Securities of such series have been complied with, and an Opinion of Counsel to the same effect, then this Indenture with respect to such series shall cease to be of further effect, and the Trustee, at the expense of the Company, shall, upon Company Request, execute proper instruments acknowledging satisfaction of and discharge of such indebtedness.

ARTICLE FIVE
REMEDIES

SECTION 501. EVENTS OF DEFAULT.

"Event of Default," wherever used herein with respect to Securities of any series, means any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) default in the payment of any interest upon any Security of that series when it becomes due and payable, and continuance of such default for a period of 30 days; or

(b) default in the payment of the principal of (or premium, if any, on) any Security of that series at its Maturity; or

(c) default in the deposit of any sinking fund payment, when and as due by the terms of a Security of that series; or

(d) default in the performance, or breach, of any covenant or warranty of the Company in this Indenture (other than a covenant or warranty a default in whose performance or whose breach is elsewhere in this Section specifically dealt with or which has expressly been included in this Indenture solely for the benefit of series of Securities other than that series), and continuance of such default or breach for a period of 30 days after there has been given, by registered or certified mail, to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 25% in principal amount of the Outstanding Securities of that series a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder; or

(e) the entry by a court having jurisdiction in the premises of (i) a decree or order for relief in respect of the Company in an involuntary case or proceeding under any applicable bankruptcy, insolvency, reorganization or other similar law or (ii) a decree or order adjudging the Company a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Company under any applicable bankruptcy law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of 90 consecutive days; or

(f) the commencement by the Company of a voluntary case or proceeding under any applicable bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by it to the entry of a decree or order for relief in respect of the Company in an involuntary case or proceeding under any applicable bankruptcy, insolvency, reorganization or other

similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any applicable bankruptcy law, or the consent by it to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of the Company or of any substantial part of its property or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by the Company in furtherance of any such action; or

(g) any other Event of Default provided with respect to the Securities of such series as contemplated by Section 301.

SECTION 502. ACCELERATION OF MATURITY; RESCISSION AND ANNULMENT.

If an Event of Default with respect to Securities of any series occurs and is continuing then in every such case either the Trustee or the Holders of not less than 25% in principal amount of the Outstanding Securities of that series may declare the entire principal amount (or, if any of the Securities of that series are Original Issue Discount Securities, such portion of the principal amount of such Securities as may be specified in the terms thereof) of all of the Securities of that series to be due and payable immediately, by a notice in writing to the Company (and to the Trustee if given by the Holders), and upon any such declaration such principal amount (or specified amount), together with any accrued interest and all other amounts owing thereunder or hereunder, shall become immediately due and payable without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived.

At any time after such a declaration of acceleration with respect to Securities of any series has been made and before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter in this Article provided, the Holders of a majority in principal amount of the Outstanding Securities of that series, by written notice to the Company and the Trustee, may rescind and annul such declaration and its consequences if all Events of Default with respect to Securities of that series, other than non-payment of the principal of Securities of that series which have become due solely by such declaration of acceleration, have been cured or waived as provided in Section 513 and all amounts owing under Section 607 have been paid.

No such rescission shall affect any subsequent default or impair any right consequent thereof.

SECTION 503. COLLECTION OF INDEBTEDNESS AND SUITS FOR ENFORCEMENT BY TRUSTEE.

The Company covenants that if

(a) default is made in the payment of any interest on any Security when such interest becomes due and payable and such default continues for a period of 30 days, or

(b) default is made in the payment of the principal of (or premium, if any, on) any Security at the Maturity thereof,

the Company will, upon demand of the Trustee, pay to it, for the benefit of the Holders of such Securities and coupons, the whole amount then due and payable on such Securities and coupons for principal (and premium, if any) and any interest and, to the extent that payment of such interest shall be legally enforceable, interest on any overdue principal (and premium, if any) and on any overdue interest, at the rate or rates prescribed therefor in such Securities and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel and all other amounts due to the Trustee under Section 607.

Until such demand is made by the Trustee, the Company may pay the principal of (and premium, if any) and interest, if any, on the Securities to the Persons entitled thereto, whether or not the principal (and premium, if any) and interest, if any, on the Securities are overdue.

If the Company fails to pay such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid, may prosecute such proceedings to judgment or final decree and may enforce the same against the Company or any other obligor upon such Securities and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Company or any other obligor upon such Securities, wherever situated.

If an Event of Default with respect to Securities of any series occurs and is continuing, the Trustee may in its discretion proceed to protect and enforce its rights and the rights of the Holders of Securities of such series and any related coupons by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy.

SECTION 504. TRUSTEE MAY FILE PROOFS OF CLAIM.

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company or any other obligor upon the Securities, or to the property of the Company or such other obligor, or to their creditors, the Trustee (irrespective of whether the principal of the Securities shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Company for the payment of overdue principal or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise,

(a) to file and prove a claim for the whole amount of principal (and premium, if any) and any interest owing and unpaid in respect of the Securities and to file such other papers as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel and all other amounts due to the Trustee

under Section 607) and of the Holders of Securities and coupons allowed in such judicial proceedings;

(b) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same; and

(c) unless prohibited by law or applicable regulation, to vote on behalf of the Holders of the Securities in any election of a trustee in bankruptcy or other person performing similar functions;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder of Securities and coupons to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders of Securities and coupons, to pay to the Trustee any amounts due to it for reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel and any other amounts due to the Trustee under Section 607.

Nothing herein contained shall be deemed to authorize the Trustee for the Securities to authorize or consent to or accept or adopt on behalf of any Holder of a Security or coupon any plan of reorganization, arrangement, adjustment or composition affecting the Securities or coupons or the rights of any Holder thereof or to authorize the Trustee to vote in respect of the claim of any Holder of a Security or coupon in any such proceeding, except, as aforesaid, for the election of a trustee in bankruptcy or other person performing similar functions.

SECTION 505. TRUSTEE MAY ENFORCE CLAIMS WITHOUT POSSESSION OF SECURITIES OR COUPONS.

All rights of action and claims under this Indenture or the Securities or the coupons may be prosecuted and enforced by the Trustee without the possession of any of the Securities or coupons or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel and all other amounts due the Trustee under Section 607, be for the ratable benefit of the Holders of the Securities and coupons in respect of which such judgment has been recovered.

SECTION 506. APPLICATION OF MONEY COLLECTED.

Any money collected by the Trustee pursuant to this Article shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal (or premium, if any) or interest, upon presentation of the Securities or coupons, or both, as the case may be, and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

FIRST: to the payment of the amounts due the Trustee under Section 607;

SECOND: to the payment of the amounts then due and unpaid for principal of (and premium, if any) and any interest on the Securities and coupons in respect of which or for the

benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Securities and coupons for principal (and premium, if any) and any interest, respectively; and

THIRD: the balance, if any, to the Person or Persons entitled thereto.

SECTION 507. LIMITATIONS ON SUITS.

No Holder of any Security of any series or any related coupons shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

(a) an Event of Default with respect to such series shall have occurred and be continuing and such Holder shall have previously given written notice to the Trustee of such continuing Event of Default with respect to the Securities of that series;

(b) the Holders of not less than 25% in principal amount of the Outstanding Securities of such series shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder;

(c) such Holder or Holders have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;

(d) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

(e) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Holders of a majority in principal amount of the Outstanding Securities of that series;

it being understood and intended that no one or more of such Holders shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other of such Holders, or to obtain or to seek to obtain priority or preference over any other of such Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all of such Holders.

SECTION 508. UNCONDITIONAL RIGHT OF HOLDERS TO RECEIVE PRINCIPAL, PREMIUM AND INTEREST.

Notwithstanding any other provision in this Indenture, the Holder of any Security or coupon shall have the right, which is absolute and unconditional, to receive payment of the principal of (and premium, if any) and (subject to Section 307) any interest on such Security or payment of such coupon on the Stated Maturity Date or Maturities expressed in such Security or coupon (or, in the case of redemption, on the Redemption Date) and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder.

SECTION 509. RESTORATION OF RIGHTS AND REMEDIES.

If the Trustee or any Holder of a Security or coupon has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every such case, subject to any determination in such proceeding, the Company, the Trustee and the Holders of Securities and coupons shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding has been instituted.

SECTION 510. RIGHTS AND REMEDIES CUMULATIVE.

Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities or coupons in the last paragraph of Section 306, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders of Securities or coupons is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 511. DELAY OR OMISSION NOT WAIVER.

No delay or omission of the Trustee or of any Holder of any Security or coupon to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Holders of Securities or coupons may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders of Securities or coupons, as the case may be.

SECTION 512. CONTROL BY HOLDERS OF SECURITIES.

The Holders of a majority in principal amount of the Outstanding Securities of any series shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, with respect to the Securities of such series, provided that

(a) such direction shall not be in conflict with any rule of law or with this Indenture or expose the Trustee to personal liability or be unduly prejudicial to Holders not joining therein, and

(b) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

SECTION 513. WAIVER OF PAST DEFAULTS.

The Holders of not less than a majority in principal amount of the Outstanding Securities of any series may on behalf of the Holders of all of the Securities of such series and any related

coupons waive any past default hereunder with respect to the Securities of such series and its consequences, except a default

(a) in the payment of the principal of (or premium, if any) or any interest on any Security of such series or any related coupon, or

(b) in respect of a covenant or provision hereof which under Article Nine cannot be modified or amended without the consent of the Holder of each Outstanding Securities of such series affected.

Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

SECTION 514. UNDERTAKING FOR COSTS.

All parties to this Indenture agree, and each Holder of any Security or coupon by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, the filing by any party litigant in such suit (other than the Trustee) of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall (subject to applicable laws) not apply to any suit instituted by the Company, to any suit instituted by the Trustee, to any suit instituted by any Holder, or group of Holders, holding in the aggregate more than 10% in principal amount of the Outstanding Securities of any series, or to any suit instituted by any Holder of any Security or coupon for the enforcement of the payment of the principal (or premium, if any) or any interest on any Security or the payment of any coupon on or after the Stated Maturity Date or Maturities expressed in such Security or coupon (or, in the case of redemption, on or after the Redemption Date).

SECTION 515. WAIVER OF STAY OR EXTENSION LAWS.

The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law has been enacted.

SECTION 516. JUDGMENT CURRENCY.

If, for the purpose of obtaining a judgment in any court with respect to any obligation of the Company hereunder or under any Security or any related coupon, it shall become necessary

to convert into any other currency or currency unit any amount in the currency or currency unit due hereunder or under such Security or coupon, then such conversion shall be made by the Currency Determination Agent at the Market Exchange Rate as in effect on the date of entry of the judgment (the "Judgment Date"). If pursuant to any such judgment, conversion shall be made on a date (the "Substitute Date") other than the Judgment Date and there shall occur a change between the Market Exchange Rate as in effect on the Judgment Date and the Market Exchange Rate as in effect on the Substitute Date, the Company agrees to pay such additional amounts (if any) as may be necessary to ensure that the amount paid is equal to the amount in such other currency or currency unit which, when converted at the Market Exchange Rate as in effect on the Judgment Date, is the amount due hereunder or under such Security or coupon. Any amount due from the Company under this Section 516 shall be due as a separate debt and is not to be affected by or merged into any judgment being obtained for any other sums due hereunder or in respect of any Security or coupon. In no event, however, shall the Company be required to pay more in the currency or currency unit due hereunder or under such Security or coupon at the Market Exchange Rate as in effect on the Judgment Date than the amount of currency or currency unit stated to be due hereunder or under such Security or coupon so that in any event the Company's obligations hereunder or under such Security or coupon will be effectively maintained as obligations in such currency or currency unit, and the Company shall be entitled to withhold (or be reimbursed for, as the case may be) any excess of the amount actually realized upon any such conversion on the Substitute Date over the amount due and payable on the Judgment Date.

ARTICLE SIX
THE TRUSTEE

SECTION 601. CERTAIN DUTIES AND RESPONSIBILITIES.

(a) Except during the continuance of an Event of Default with respect to a series of Securities;

(i) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture with respect to such series, and no implied covenants or obligations with respect to such series shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture.

(b) In case an Event of Default with respect to a series of Securities has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture with respect to such series, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that

(1) this Subsection shall not be construed to limit the effect of Subsection (a) of this Section;

(2) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(3) the Trustee shall not be liable with respect to any action taken, suffered or omitted to be taken by it in good faith in accordance with the direction of the Holders of a majority in principal amount of the Outstanding Securities of any series, determined as provided in Section 512, relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture with respect to the Securities of such series; and

(4) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(d) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

SECTION 602. NOTICE OF DEFAULTS.

Within 90 days after the occurrence of any default hereunder with respect to the Securities of any series, the Trustee shall transmit to the Holders of Securities of such series in the manner and to the extent provided in Section 703(c), notice of such default hereunder known to the Trustee, unless such default shall have been cured or waived; provided, however, that, except in the case of a default in the payment of the principal of or any premium or interest on any Security of such series or in the payment of any sinking fund installment with respect to Securities of such series, the Trustee shall be protected in withholding such notice if and so as the board of directors, the executive committee or a trust committee of directors or Responsible Officers of the Trustee in good faith determines that the withholding of such notice is in the interest of the Holders of Securities of such series and related coupons; and provided, further, that in the case of any default of the character specified in Section 501(d) with respect to Securities of such series, no such notice to Holders shall be given until at least 30 days after the occurrence thereof. For the purpose of this Section, the term `default' means any event which is, or after notice or lapse of time or both would become, an Event of Default with respect to Securities of such series.

SECTION 603. CERTAIN RIGHTS OF TRUSTEE.

Subject to the provisions of Section 601:

(a) the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, coupon, other evidence of indebtedness or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request or direction of the Company mentioned herein shall be sufficiently evidenced by a Company Request or Company Order or as otherwise expressly provided herein and any resolution of the Board of Directors may be sufficiently evidenced by a Board Resolution;

(c) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officers' Certificate;

(d) the Trustee may consult with counsel and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

(e) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders of Securities of any series or any related coupons pursuant to this Indenture, unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;

(f) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, coupon, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney;

(g) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder; and

(h) the Trustee shall not be deemed to have knowledge of a default or an Event of Default unless a Responsible Officer of the Trustee has received notice thereof or has actual knowledge thereof.

SECTION 604. SECTION 604. NOT RESPONSIBLE FOR RECITALS OR ISSUANCE OF SECURITIES.

The recitals contained herein (except the description of the Trustee) and in the Securities (except the Trustee's certificates of authentication) and in any coupons shall be taken as the statements of the Company, and neither the Trustee nor any Authenticating Agent assumes any responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Securities or coupons. Neither the Trustee nor any Authenticating Agent shall be accountable for the use or application by the Company of Securities or the proceeds thereof.

SECTION 605. MAY HOLD SECURITIES.

The Trustee, any Authenticating Agent, any Paying Agent, any Security Registrar or any other agent of the Company, in its individual or any other capacity, may become the owner or pledgee of Securities and coupons and, subject to Sections 608 and 613, may otherwise deal with the Company with the same rights it would have if it were not the Trustee, Authenticating Agent, Paying Agent, Security Registrar or such other agent.

SECTION 606. MONEY HELD IN TRUST.

Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed with the Company.

SECTION 607. COMPENSATION AND REIMBURSEMENT.

The Company agrees

(a) to pay to the Trustee from time to time reasonable compensation for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(b) except as otherwise expressly provided herein, to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expense and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to its negligence or bad faith; and

(c) to indemnify the Trustee and its agents, including any Authenticating Agent, for, and to hold them harmless against, any loss, liability or expense incurred without negligence or bad faith on their part, arising out of or in connection with the acceptance or administration of the trust or trusts hereunder or the performance of their

duties hereunder, including the reasonable costs and expenses of defending themselves against any claim or liability in connection with the exercise or performance of any of their powers or duties hereunder.

As security for the performance of the obligations of the Company under this Section, the Trustee shall have a lien prior to the Securities upon all property and funds held or collected by the Trustee as such, except funds held in trust for the payment of principal of (or premium, if any) or interest on particular Securities.

SECTION 608. DISQUALIFICATION; CONFLICTING INTERESTS.

The Trustee for the Securities shall be subject to the provisions of Section 310(b) of the Trust Indenture Act during the period of time required thereby. Nothing herein shall prevent the Trustee from filing with the Commission the application referred to in the penultimate paragraph of Section 310(b) of the Trust Indenture Act. In determining whether the Trustee has a conflicting interest as defined in Section 310(b) of the Trust Indenture Act with respect to the Securities of any series, there shall be excluded Securities of any particular series of Securities other than that series, the Indenture dated as of November 15, 1991, among Scripps Howard, Inc, as Issuer, The E.W. Scripps Company, as Guarantor, and JPMorgan Chase Bank (formerly known as Chemical Bank), as Trustee, and the Indenture dated as of September 29, 1997, between The E.W. Scripps Company and JPMorgan Chase Bank (formerly known as The Chase Manhattan Bank), as Trustee.

SECTION 609. CORPORATE TRUSTEE REQUIRED; ELIGIBILITY.

There shall at all times be a Trustee hereunder which shall be a corporation organized and doing business under the laws of the United States, any state thereof or the District of Columbia, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least $50,000,000, subject to supervision or examination by federal or state authority and, if there be such a corporation qualified and willing to act upon customary and reasonable terms, having its Corporate Trust Office in Cincinnati, Ohio or The City of New York. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. Neither the Company nor any Affiliate of the Company shall serve as Trustee for the Securities. A different Trustee may be appointed by the Company for any series of Securities prior to the issuance of such Securities. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

SECTION 610. RESIGNATION AND REMOVAL; APPOINTMENT OF SUCCESSOR.

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of

appointment by the successor Trustee in accordance with the applicable requirements of Section 611.

(b) The Trustee may resign at any time with respect to the Securities of one or more series by giving written notice thereof to the Company. If the instrument of acceptance by a successor Trustee required by Section 611 shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

(c) The Trustee may be removed at any time with respect to the Securities of any series by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series delivered to the Trustee and the Company.

(d) If at any time:

(i) the Trustee shall fail to comply with Section 310(b) of the Trust Indenture Act pursuant to Section 608 hereof after written request therefor by the Company or any Holder of a Security who has been a bona fide Holder of a Security for at least six months, unless the Trustee's duty to resign is stayed in accordance with the provisions of Section 310(b) of the Trust Indenture Act, or

(ii) the Trustee shall cease to be eligible under Section 609 and shall fail to resign after written request therefor by the Company or any such Holder, or

(iii) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation;

then, in any such case, (A) the Company by a Board Resolution may remove the Trustee with respect to all Securities, or (B) subject to Section 514, any Holder of a Security who has been a bona fide Holder of a Security for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee with respect to all Securities and the appointment of a successor Trustee or Trustees.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, with respect to the Securities of one or more series, the Company, by Board Resolution, shall promptly appoint a successor Trustee or Trustees with respect to the Securities of that or those series (it being understood that any such successor Trustee may be appointed with respect to the Securities of one of more or all of such series and that at any time there shall be only one Trustee with respect to the Securities of any particular series) and shall comply with the applicable requirements of Section 611. If, within sixty (60) days after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee with respect to the Securities of any series shall be appointed by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series delivered to the Company and the retiring Trustee, the successor Trustee so appointed shall, forthwith

upon its acceptance of such appointment in accordance with the applicable requirements of Section 611, become the successor Trustee with respect to the Securities of such series and to that extent supersede the successor Trustee appointed by the Company. If no successor Trustee with respect to the Securities of any series shall have been so appointed by the Company or the Holders of Securities and accepted appointment in the manner required by Section 611, and if the Trustee is still incapable of acting, the Trustee or any Holder of a Security who has been a bona fide Holder of a Security of such series for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

(f) The Company shall give notice of each resignation and each removal of the Trustee with respect to the Securities of any series and each appointment of a successor Trustee with respect to the Securities of any series in the manner provided in Section 106. Each notice shall include the name of the successor Trustee with respect to the Securities of such series and the address of its Corporate Trust Office.

SECTION 611. ACCEPTANCE OF APPOINTMENT BY SUCCESSOR.

(a) In case of the appointment hereunder of a successor Trustee with respect to all Securities, every such successor Trustee so appointed shall execute, acknowledge and deliver to the Company and the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; but, on the request of the Company or the successor Trustee, such retiring Trustee shall, upon payment of its charges, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder, subject, nevertheless, to its lien, if any, provided for in Section 607.

(b) In case of the appointment hereunder of a successor Trustee with respect to the Securities of one of more (but not all) series, the Company, the retiring Trustee and each successor Trustee with respect to the Securities of one or more series shall execute and deliver an indenture supplemental hereto wherein each successor Trustee shall accept such appointment and which (i) shall contain such provisions as shall be necessary or desirable to transfer and confirm to, and to vest in, each successor Trustee all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates, (ii) if the retiring Trustee is not retiring with respect to all Securities, shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series as to which the retiring Trustee is not retiring shall continue to be vested in the retiring Trustee, and (iii) shall add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, it being understood that nothing herein or in such supplemental indenture shall

constitute such Trustees as co-trustees of the same trust and that each such Trustee shall be trustee of a trust or trusts hereunder separate and apart from any trust or trusts hereunder administered by any other such Trustee. Upon the execution and delivery of such supplemental indenture, the resignation or removal of the retiring Trustee shall become effective to the extent provided therein and each successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates; but, on request of the Company or any successor Trustee, such retiring Trustee shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder with respect to the Securities of that or those series to which the appointment of such successor Trustee relates, subject nevertheless to its lien, if any, provided for in Section 607.

(c) Upon request of any such successor Trustee, the Company shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and trusts referred to in paragraph (a) or (b) of this Section, as the case may be.

(d) No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article.

SECTION 612. MERGER, CONVERSION, CONSOLIDATION OR SUCCESSION TO BUSINESS.

Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor of the Trustee thereunder, provided such corporation shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Securities shall have been authenticated, but not delivered, by the Trustee or the Authenticating Agent then in office, any successor by merger, conversion or consolidation to such authenticating Trustee, or successor Authenticating Agent, (if eligible under Section 614), as the case may be, may adopt such authentication and deliver the Securities so authenticated with the same effect as if such successor Trustee or successor Authenticating Agent had itself authenticated such Securities.

SECTION 613. PREFERENTIAL COLLECTION OF CLAIMS AGAINST COMPANY.

(a) Subject to Subsection (b) of this Section, if the Trustee shall be or shall become a creditor, directly or indirectly, secured or unsecured, of the Company within three months prior to a default, as defined in Subsection (c) of this Section, or subsequent to such a default, then, unless and until such default shall be cured, the Trustee shall set apart and hold in a special account for the benefit of the Trustee individually, the Holders

of the Securities and coupons and the holders of other indenture securities, as defined in Subsection (c) of this Section:

(iv) an amount equal to any and all reductions in the amount due and owing upon any claim as such creditor in respect of principal or interest, effected after the beginning of such three months' period and valid as against the Company and other creditors of the Company, except any such reduction resulting from the receipt or disposition of any property described in paragraph (ii) of this Subsection, or from the exercise of any right of set-off which the Trustee could have exercised if a petition in bankruptcy had been filed by or against the Company upon the date of such default; and

(v) all property received by the Trustee in respect of any claim as such creditor, either as security therefor, or in satisfaction or composition thereof, or otherwise, after the beginning of such three months' period, or an amount equal to the proceeds of any such property, if disposed of, subject, however, to the rights, if any, of the Company and other creditors of the Company in such property or such proceeds.

Nothing herein contained, however, shall affect the right of the Trustee:

(A) to retain for its own account (1) payments made on account of any such claim by any Person (other than the Company) who is liable thereon, and (2) the proceeds of the bona fide sale of any such claim by the Trustee to a third Person, and (3) distributions made in cash, securities or other property in respect of claims filed against the Company in bankruptcy or receivership or in proceedings for reorganization pursuant to any applicable bankruptcy law;

(B) to realize, for its own account, upon any property held by it as security for any such claim, if such property was so held prior to the beginning of such three months' period;

(C) to realize, for its own account, but only to the extent of the claim hereinafter mentioned, upon any property held by it as security for any such claim, if such claim was created after the beginning of such three months' period and such property was received as security therefor simultaneously with the creation thereof, and if the Trustee shall sustain the burden of proving that at the time such property was so received the Trustee had no reasonable cause to believe that a default, as defined in Subsection (c) of this Section, would occur within three months; or

(D) to receive payment on any claim referred to in paragraph (B) or (C), against the release of any property held as security for such claim as provided in paragraph (B) or (C), as the case may be, to the extent of the fair value of such property.

For the purposes of paragraphs (B), (C) and (D), property substituted after the beginning of such three months' period for property held as security at the time of such substitution shall, to the extent of the fair value of the property released, have the same status as the property released, and, to the extent that any claim referred to in any of such paragraphs is created in renewal of or in substitution for or for the purpose of repaying or refunding any pre-existing claim of the Trustee as such creditor, such claim shall have the same status as such pre-existing claim.

If the Trustee shall be required to account, the funds and property held in such special account and the proceeds thereof shall be apportioned among the Trustee, the Holders of Securities and the holders of other indenture securities in such manner that the Trustee, the Holders of Securities and the holders of other indenture securities realize, as a result of payments from such special account and payments of dividends on claims filed against the Company in bankruptcy or receivership or in proceedings for reorganization pursuant to any applicable bankruptcy law, the same percentage of their respective claims, figured before crediting to the claim of the Trustee anything on account of the receipt by it from the Company of the funds and property in such special account and before crediting to the respective claims of the Trustee and the Holders of Securities and the holders of other indenture securities dividends on claims filed against the Company in bankruptcy or receivership or in proceedings for reorganization pursuant to any applicable bankruptcy law, but after crediting thereon receipts on account of the indebtedness represented by their respective claims from all sources other than from such dividends and from the funds and property so held in such special account. As used in this paragraph, with respect to any claim, the term "dividends" shall include any distribution with respect to such claim, in bankruptcy or receivership or proceedings for reorganization pursuant to any applicable bankruptcy law, whether such distribution is made in cash, securities or other property, but shall not include any such distribution with respect to the secured portion, if any, of such claim. The court in which such bankruptcy, receivership or proceedings for reorganization is pending shall have jurisdiction (x) to apportion among the trustee, the Holders of Securities and the holders of other indenture securities, in accordance with the provisions of this paragraph, the funds and property held in such special account and proceeds thereof, or (y) in lieu of such apportionment, in whole or in part, to give to the provisions of this paragraph due consideration in determining the fairness of the distributions to be made to the Trustee and the Holders of Securities and the holders of other indenture securities with respect to their respective claims, in which event it shall not be necessary to liquidate or to appraise the value of any securities or other property held in such special account or as security for any such claim, or to make a specific allocation of such distributions as between the secured and unsecured portions of such claims, or otherwise to apply the provisions of this paragraph as a mathematical formula.

Any Trustee which has resigned or been removed after the beginning of such three months' period shall be subject to the provisions of this Subsection as though such resignation or removal had not occurred. If any Trustee has resigned or been removed prior to the beginning of such three months' period, it shall be subject to the provisions of this Subsection if and only if the following conditions exist:

(i) the receipt of property or reduction of claim, which would have given rise to the obligation to account, if such Trustee had continued as Trustee, occurred after the beginning of such three months' period; and

(ii) such receipt of property or reduction of claim occurred within three months after such resignation or removal.

(b) There shall be excluded from the operation of Subsection (a) of this Section a creditor relationship arising from:

(iii) the ownership or acquisition of securities issued under any indenture, or any security or securities having a maturity of one year or more at the time of acquisition by the Trustee;

(iv) advances authorized by a receivership or bankruptcy court of competent jurisdiction or by this Indenture, for the purpose of preserving any property which shall at any time be subject to the lien of this Indenture or of discharging tax liens or other prior liens or encumbrances thereon, if notice of such advances and of the circumstances surrounding the making thereof is given to the Holders of Securities at the time and in the manner provided in this Indenture;

(v) disbursements made in the ordinary course of business in the capacity of trustee under an indenture, transfer agent, registrar, custodian, paying agent, fiscal agent or depositary, or other similar capacity;

(vi) an indebtedness created as a result of services rendered or premises rented, or an indebtedness created as a result of goods or securities sold in cash transaction, as defined in Subsection (c) of this Section;

(vii) the ownership of stock or of other securities of a corporation organized under the provisions of Section 25(a) of the Federal Reserve Act, as amended, which is directly or indirectly a creditor of the Company; and

(viii) the acquisition, ownership, acceptance or negotiation of any drafts, bills of exchange, acceptances or obligations which fall within the classification of self-liquidating paper, as defined in Subsection (c) of this Section.

(c) For the purposes of this Section only:

(i) the term "default" means any failure to make payment in full of the principal of (or premium, if any) or interest on any of the Securities or upon the other indenture securities when and as such principal, premium or interest becomes due and payable;

(ii) the term "other indenture securities" means securities upon which the Company is an obligor outstanding under any other indenture or under this Indenture with respect to the Securities of any other series (A) under which the Trustee is also trustee, (B) which contains provisions substantially similar to the provisions of this Section, and (C) under which a default exists at the time of the apportionment of the funds and property held in such special account;

(iii) the term "cash transaction" means any transaction in which full payment for goods or securities sold is made within seven days after delivery of the goods or securities in currency or in checks or other orders drawn upon banks or bankers and payable upon demand;

(iv) the term "self-liquidating paper" means any draft, bill of exchange, acceptance or obligation which is made, drawn, negotiated or incurred by the Company for the purpose of financing the purchase, processing, manufacturing, shipment, storage or sale of goods, wares or merchandise and which is secured by documents evidencing title to, possession of, or a lien upon, the goods, wares or merchandise or the receivables or proceeds arising from the sale of the goods, wares or merchandise previously constituting the security, provided the security is received by the Trustee simultaneously with the creation of the creditor relationship with the Company arising from the making, drawing, negotiating or incurring of the draft, bill of exchange, acceptance or obligation; and

(v) the term "Company" means any obligor upon the Securities.

SECTION 614. APPOINTMENT OF AUTHENTICATING AGENT.

The Trustee may appoint an Authenticating Agent or Agents with respect to one or more series of Securities which shall be authorized to act on behalf of the Trustee to authenticate Securities of such series issued upon exchange, registration of transfer or partial redemption thereof or pursuant to Section 306, and Securities so authenticated shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated by the Trustee hereunder. Wherever reference is made in this Indenture to the authentication and delivery of Securities by the Trustee or the Trustee's certificate of authentication, such reference shall be deemed to include authentication and delivery on behalf of the Trustee by an Authenticating Agent and a certificate of authentication executed on behalf of the Trustee by an Authenticating Agent. Each Authenticating Agent shall be acceptable to the Company and shall at all times be a corporation organized and doing business under the laws of the United States, any state thereof or the District of Columbia, authorized under such laws to act as Authenticating Agent, having a combined capital and surplus of not less than $50,000,000 and subject to supervision or examination by federal or state authority. If such Authenticating Agent publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then, for the purposes of this Section, the combined capital and surplus of such Authenticating Agent shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time an Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, such Authenticating Agent shall resign immediately in the manner and with the effect specified in this Section.

Any corporation into which an Authenticating Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which such Authenticating Agent shall be a party, or any corporation succeeding to the corporate agency or corporate trust business of such Authenticating Agent, shall be the successor of the Authenticating Agent hereunder, provided such corporation shall be otherwise

eligible under this Section, without the execution or filing of any paper or any further act on the part of the Trustee or such Authenticating Agent.

An Authenticating Agent may resign at any time by giving written notice thereof to the Trustee and to the Company. The Trustee may at any time terminate the agency of an Authenticating Agent by giving written notice thereof to such Authenticating Agent and to the Company in the manner set forth in Section 105. Upon receiving such a notice of resignation or upon such a termination, or in case at any time such Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, the Trustee may appoint a successor Authenticating Agent which shall be acceptable to the Company and shall provide notice of such appointment to all Holders of Securities in the manner set forth in Section 106. Any successor Authenticating Agent upon acceptance of its appointment hereunder shall become vested with all the rights, powers and duties of its predecessor hereunder, with like effect as if originally named as an Authenticating Agent. No successor Authenticating Agent shall be appointed unless eligible under the provisions of this Section.

The Trustee agrees to pay to each Authenticating Agent from time to time reasonable compensation for its services under this Section, and the Trustee shall be entitled to be reimbursed for such payments, subject to the provisions of Section 607.

If an appointment with respect to one or more series is made pursuant to this Section, the Securities of such series may have endorsed thereon, in addition to the Trustee's certificate of authentication, an alternative certificate of authentication in the following form:

This is one of the Securities of the series designated herein and referred to in the within-mentioned Indenture.

JPMORGAN CHASE BANK, AS TRUSTEE

By

As Authenticating Agent

By

Authorized Officer

ARTICLE SEVEN
HOLDERS' LISTS AND REPORTS BY TRUSTEE AND COMPANY

SECTION 701. COMPANY TO FURNISH TRUSTEE NAMES AND ADDRESSES OF HOLDERS.

The Company will furnish or cause to be furnished to the Trustee with respect to the Securities of each Series:

(a) semi-annually, not more than 15 days after each January 15 and July 15, a list, in such form as the Trustee may reasonably require, containing all the information in

the possession or control of the Company or any of its Paying Agents other than the Trustee, as to the names and addresses of the Holders of Securities as of such dates, and

(b) at such other times as the Trustee may request in writing, within 30 days after the receipt by the Company of any such request, a list of similar form and content as of a date not more than 15 days prior to the time such list is furnished;

provided that no such lists shall be required to be furnished so long as the Trustee is acting as Security Registrar.

SECTION 702. PRESERVATION OF INFORMATION; COMMUNICATION TO HOLDERS.

(a) The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of Holders of Securities of each Series (i) contained in the most recent lists furnished to the Trustee as provided in Section 701, (ii) received by the Trustee in its capacity as Security Registrar, if so acting, and (iii) filed with it within the two preceding years pursuant to Section 703(c)(ii). The Trustee may (i) destroy any list furnished to it as provided in Section 701 upon receipt of a new list so furnished, (ii) destroy any information received by it as Paying Agent, if so acting, upon delivering to itself as Trustee, not earlier than January 15 or July 15, a list containing the names and addresses of the Holders of Securities obtained from such information since the delivery of the next previous list, if any, (iii) destroy any list delivered to itself as Trustee which was compiled from information received by it as Paying Agent, if so acting, upon the receipt of a new list so delivered, and (iv) destroy not earlier than two years after filing any information filed with it pursuant to Section 703(c)(ii).

(b) If three or more Holders of Securities of a series (herein referred to as "applicants") apply in writing to the Trustee, and furnish to the Trustee reasonable proof that each such applicant has owned a Security of such series for a period of at least six months preceding the date of such application, and such application states that the applicants desire to communicate with other Holders of Securities of such series with respect to their rights under this Indenture or under the Securities of such series and is accompanied by a copy of the form of proxy or other communication which such applicants propose to transmit, then the Trustee shall, within five Business Days after the receipt of such application, at its election, either

(i) afford such applicants access to the information preserved at the time by the Trustee in accordance with Section 702(a), or

(ii) inform such applicants as to the approximate number of Holders of Securities of such series whose names and addresses appear in the information preserved at the time by the Trustee in accordance with Section 702(a), and as to the approximate cost of mailing to such Holders the form of proxy or other communication, if any, specified in such application.

If the Trustee shall elect not to afford such applicants access to such information, the Trustee shall, upon the written request of such applicants, mail to each Holder of Securities of such series whose name and address appear in the information preserved at the time by the Trustee in accordance with Section 702(a) a copy of the form of proxy or other communication which is specified in such request, with reasonable promptness after a tender to the Trustee of the material to be mailed and of payment, or provision for the payment, of the reasonable expenses of mailing, unless within five days after tender the Trustee shall mail to such applicants and file with the Commission, together with a copy of the material to be mailed, a written statement to the effect that, in the opinion of the Trustee, such mailing would be contrary to the best interest of the Holders of Securities of such series or would be in violation of applicable law. Such written statement shall specify the basis of such opinion. If the Commission, after opportunity for a hearing upon the objections specified in the written statement so filed, shall enter an order refusing to sustain any of such objections or if, after the entry of an order sustaining one or more of such objections, the Commission shall find, after notice and opportunity for hearing, that all the objections so sustained have been met and shall enter an order so declaring, the Trustee shall mail copies of such material to all such Holders of Securities of such series with reasonable promptness after the entry of such order and the renewal of such tender; otherwise the Trustee shall be relieved of any obligation or duty to such applicants respecting their application.

(c) Every Holder of Securities or coupons, by receiving and holding the same, agrees with the Company and the Trustee that neither the Company nor the Trustee nor any agent of any of them shall be held accountable by reason of the disclosure of any such information as to the names and addresses of the Holders of Securities in accordance with Section 702(b), regardless of the source from which such information was derived, and that the Trustee shall not be held accountable by reason of mailing any material pursuant to a request made under Section 702(b).

SECTION 703. REPORTS OF TRUSTEE.

(a) Within 60 days after November 15 of each year commencing November 15, 2002, the Trustee shall, to the extent required by the Trust Indenture Act, transmit by mail to the Holders of Securities, as provided in Subsection (c) of this Section, a brief report dated as of such date with respect to any of the following events which may have occurred within the prior 12 months (but if no such event has occurred within such period no report need be transmitted):

(iii) any change in its eligibility under Section 609 and its qualifications under Section 608;

(iv) the creation of or any material change to a relationship specified in Sections 310(b) through 310(b)(10) of the Trust Indenture Act;

(v) the character and amount of any advances (and if the Trustee elects so to state, the circumstances surrounding the making thereof) made by the Trustee (as such) which remain unpaid on the date of

such report, and for the reimbursement of which it claims or may claim a lien or charge, prior to that of the Securities, on any property or funds held or collected by it as Trustee, except that the Trustee shall not be required (but may elect) to report such advances so remaining unpaid that aggregate not more than 1/2 of 1% of the principal amount of the Securities Outstanding on the date of such report;

(vi) any change to the amount, interest rate and maturity date of all other indebtedness owing by the Company (or by any other obligor on the Securities) to the Trustee in its individual capacity, on the date of such report, with a brief description of any property held as collateral security therefor, except an indebtedness based upon a creditor relationship arising in any manner described in Section 613(b)(ii), (iii), (iv) or (vi);

(vii) any change to the property and funds, if any, physically in the possession of the Trustee as such on the date of such report;

(viii) any additional issue of Securities which the Trustee has not previously reported; and

(ix) any action taken by the Trustee in the performance of its duties hereunder which it has not previously reported and which in its opinion materially affects the Securities, except action in respect of a default, notice of which has been or is to be withheld by the Trustee in accordance with Section 602.

(b) The Trustee shall transmit to the Holders of Securities, as provided in Subsection (c) of this Section, a brief report with respect to the character and amount of any advances (and if the Trustee elects so to state, the circumstances surrounding the making thereof) made by the Trustee (as such) since the date of the last report transmitted pursuant to Subsection (a) of this Section (or if no such report has yet been so transmitted, since the date of execution of this instrument) for the reimbursement of which it claims or may claim a lien or charge, prior to that of the Securities, on property or funds held or collected by it as Trustee and which it has not previously reported pursuant to this Subsection, except that the Trustee shall not be required (but may elect) to report such advances if such advances remaining unpaid at any time aggregate 10% or less of the principal amount of the Securities Outstanding at such time, such report to be transmitted within 90 days after such time.

(c) Reports pursuant to this Section shall be transmitted by mail:

(i) to all Holders of Registered Securities, as the names and addresses of such Holders appear in the Security Register;

(ii) to such Holders of Bearer Securities as have, within the two years preceding such transmission, filed their names and addresses with the Trustee for that purpose; and

(iii) except in the case of reports pursuant to Subsection (b) of this Section, to each Holder of a Security whose name and address is preserved at the time by the Trustee, as provided in Section 702(a).

(d) A copy of each such report shall, at the time of such transmission to Holders of Securities, be filed by the Trustee with each securities exchange upon which any Securities are listed, with the Commission and with the Company. The Company will notify the Trustee when any Securities are listed on any securities exchange.

SECTION 704. REPORTS BY COMPANY.

The Company shall:

(a) file with the Trustee, within 15 days after the Company is required to file the same with the Commission, copies of the annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as the Commission may from time to time by rules and regulations prescribe) which the Company may be required to file with the Commission pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended; or, if the Company is not required to file information, documents or reports pursuant to either of said Sections, then one or both of them shall file with the Trustee and the Commission, in accordance with rules and regulations prescribed from time to time by the Commission, such of the supplementary and periodic information, documents and reports which may be required pursuant to Section 13 of the Securities Exchange Act of 1934, as amended, in respect of a security listed and registered on a national securities exchange as may be prescribed from time to time in such rules and regulations;

(b) file with the Trustee and the Commission, in accordance with rules and regulations prescribed from time to time by the Commission, such additional information, documents and reports with respect to compliance by the Company with the conditions and covenants of this Indenture as may be required from time to time by such rules and regulations; and

(c) transmit, within 30 days after the filing thereof with the Trustee, to the Holders of Securities, in the manner and to the extent provided in Section 703(c) with respect to reports pursuant to Section 703(a) such summaries of any information, documents and reports required to be filed by the Company pursuant to paragraphs (a) and (b) of this Section as may be required by rules and regulations prescribed from time to time by the Commission.

ARTICLE EIGHT
CONSOLIDATION, MERGER, CONVEYANCE, TRANSFER OR LEASE

SECTION 801. COMPANY MAY CONSOLIDATE, ETC.; ONLY ON CERTAIN TERMS.

The Company shall not consolidate with or merge into any other Person or convey, transfer or lease its properties and assets substantially as an entirety to any Person unless:

(a) the Person formed by such consolidation or into which the Company is merged or the Person which acquires by conveyance or transfer, or which leases, the properties and assets of the Company substantially as an entirety shall be a corporation organized and validly existing under the laws of the United States, any state thereof or the District of Columbia and shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, the due and punctual payment of the principal of (and premium, if any) and interest, if any (including all additional amounts, if any, payable pursuant to Section 1004) on, and any sinking fund payment in respect of, all the Securities and the related coupons and the performance of every covenant of this Indenture on the part of the Company to be performed or observed;

(b) immediately after giving effect to such transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing;

(c) if, as a result of any such consolidation or merger or such conveyance, transfer or lease, properties or assets of the Company or any Subsidiary would become subject to a Mortgage which would not be permitted by Section 1008 without equally and ratably securing the Securities as provided therein, such successor corporation shall have taken such steps as shall be necessary effectively to secure the Securities equally and ratably with (or prior to) all Indebtedness secured thereby pursuant to Section 1008; and

(d) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel each stating that such transaction and such supplemental indenture comply with this Article and that all conditions precedent herein provided for relating to such transaction have been complied with.

Nothing contained in this Section 801 shall prevent the Company from merging any other corporation (whether or not affiliated with the Company) into the Company in a transaction in which the surviving entity is the Company or acquiring by purchase or otherwise all or any part of the property or assets of any other corporation or Person (whether or not affiliated with the Company).

SECTION 802. SUCCESSOR SUBSTITUTED.

Upon any consolidation of the Company with, or merger of the Company into, any other Person or any conveyance, transfer or lease of the properties and assets of the Company substantially as an entirety in accordance with Section 801, the successor Person formed by such

consolidation or into which the Company is merged or to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor Person had been named as the Company herein, and thereafter, except in the case of a lease, the predecessor Person shall be relieved of all obligations and covenants under this Indenture and the Securities and coupons.

ARTICLE NINE
SUPPLEMENTAL INDENTURES

SECTION 901. SUPPLEMENTAL INDENTURES WITHOUT CONSENT OF HOLDERS.

Without the consent of any Holders of Securities or coupons, the Company, when authorized by a Board Resolution, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form satisfactory to the Trustee, for any of the following purposes:

(a) to evidence the succession of another Person to the Company and the assumption by any such successor of the covenants of the Company herein and in the Securities; or

(b) to add to the covenants of the Company for the benefit of the Holders of all or any series of Securities (and if such covenants are to be for the benefit of less than all series of Securities, stating that such covenants are expressly being included solely for the benefit of such series) or to surrender any right or power herein conferred upon the Company; or

(c) to add any additional Events of Default with respect to any or all series of Securities (and if such Event of Default applies to less than all series of Securities, stating each series to which such Event of Default applies); or

(d) to add to or change any of the provisions of this Indenture to provide that Bearer Securities may be registrable as to principal, to change or eliminate any restrictions on the payment of principal of or any premium or interest on Bearer Securities, to permit Bearer Securities to be issued in exchange for Registered Securities, to permit Bearer Securities to be issued in exchange for Bearer Securities of other authorized denominations or to permit the issuance of Securities in uncertificated form, provided that any such action shall not adversely affect the interests of the Holders of Securities of any series or any related coupons in any material respect; or

(e) to change or eliminate any of the provisions of this Indenture, provided that any such change or elimination shall become effective only when there is no Security Outstanding of any series created prior to the execution of such supplemental indenture which is entitled to the benefit of such provision; or

(f) to secure the Securities; or

(g) to establish the form or terms of Securities of any series and any related coupons as permitted by Sections 201 and 301; or

(h) to evidence and provide for the acceptance of appointment hereunder by a successor Trustee with respect to the Securities of one or more series and to add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, pursuant to the requirements of Section 611(b); or

(i) to add to the conditions, limitations and restrictions on the authorized amount, form, terms or purposes of issue, authentication and delivery of Securities, as herein set forth, other conditions, limitations and restrictions thereafter to be observed; or

(j) to supplement any provisions of the Indenture to such extent as shall be necessary to permit or facilitate the defeasance and discharge of any series of Securities pursuant to Section 401, provided that any such action shall not adversely affect the interests of the Holders of Securities of any series or any related coupons in any material respect; or

(k) to add to or change or eliminate any provision of this Indenture as shall be necessary or desirable in accordance with the Trust Indenture Act; or

(l) to cure any ambiguity, to correct or supplement any provision herein which may be defective or inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Indenture or any Security issued hereunder, provided that any such action shall not adversely affect the interests of the Holders of Securities of any series or any related coupons in any material respect.

SECTION 902. SUPPLEMENTAL INDENTURE WITH CONSENT OF HOLDERS.

With the consent of the Holders of not less than 66-2/3% in principal amount of the Outstanding Securities of each series affected by such supplemental indenture, by Act of said Holders delivered to the Company and the Trustee, the Company, when authorized by a Board Resolution, and the Trustee may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders of Securities of such series and any related coupons under this Indenture; provided, however, that no such supplemental indenture shall, except as otherwise specified as contemplated by Section 301, without the consent of the Holder of each Outstanding Security affected thereby,

(a) change the Stated Maturity Date of the principal of, or any installment of principal of or interest on, any Security, or reduce the principal amount thereof or the rate of any interest thereon (or change the formula for determining the rate of interest thereon) or any premium payable upon the redemption thereof, or change any obligation of the Company to pay additional amounts pursuant to Section 1004, or reduce the amount of the principal of an Original Issue Discount Security that would be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 502 or change

the Place of Payment where, or change the coin or currency in which, any principal or any premium or any interest on any Security is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity Date thereof (or, in the case of redemption, or on or after the Redemption Date), or

(b) reduce the percentage in principal amount of the Outstanding Securities of any series, the consent of whose Holders is required for any such supplemental indenture, or the consent of whose Holders is required for any waiver (of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences) provided for in this Indenture, or reduce the requirements of Section 1304 for quorum or voting, or

(c) change any obligation of the Company to maintain an office or agency in the places and for the purposes specified in Section 1002, or

(d) modify any of the provisions of this Section, Section 513 or Section 1010, except to increase any such percentage or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Outstanding Security affected thereby; provided, however, that this clause shall not be deemed to require the consent of any Holder of a Security or coupon with respect to changes in the references to "the Trustee" and concomitant changes in this Section and Section 1010, or the deletion of this proviso, in accordance with the requirements of Sections 611(b) and 901(h).

A supplemental indenture which changes or eliminates any covenant or other provision of this Indenture which has expressly been included solely for the benefit of one or more particular series of Securities, or which modifies the rights of the Holders of Securities of such series with respect to such covenant or other provision, shall be deemed not to affect the rights under this Indenture of the Holders of Securities of any other series.

It shall not be necessary for any Act of Holders of Securities under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such Act shall approve the substance thereof.

SECTION 903. EXECUTION OF SUPPLEMENTAL INDENTURES.

In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article or the modifications thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and (subject to Section 601) shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Trustee may, but shall not (except to the extent required in the case of a supplemental indenture entered into under Section 901(h)) be obligated to, enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

SECTION 904. EFFECT OF SUPPLEMENTAL INDENTURES.

Upon the execution of any supplemental indenture under this Article, this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes, and every Holder of Securities theretofore and thereafter authenticated and delivered hereunder and of any coupons appertaining thereto shall be bound thereby.

SECTION 905. CONFORMITY WITH TRUST INDENTURE ACT.

Every supplemental indenture executed pursuant to this Article shall conform to the requirements of the Trust Indenture Act as then in effect.

SECTION 906. REFERENCE IN SECURITIES TO SUPPLEMENTAL INDENTURES.

Securities of any series authenticated and delivered after the execution of any supplemental indenture pursuant to this Article may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company shall so determine, new Securities of any series so modified as to conform, in the opinion of the Trustee and the Company, to any such supplemental indenture may be prepared and executed by the Company and authenticated and delivered by the Trustee in exchange for Outstanding Securities of such series.

ARTICLE TEN
COVENANTS

SECTION 1001. PAYMENT OF PRINCIPAL, PREMIUM AND INTEREST.

The Company covenants and agrees for the benefit of each series of Securities that it will duly and punctually pay the principal of and any premium and interest on the Securities of that series in accordance with the terms of the Securities, any coupons appertaining thereto and this Indenture. Unless otherwise specified as contemplated by Section 301 with respect to any series of Securities and except as provided in the following sentence, any interest due on Bearer Securities on or before Maturity shall be payable only upon presentation and surrender of the several coupons for such interest installments as are evidenced thereby as they severally mature. The interest, if any, due in respect of a temporary or permanent global Security, together with any additional amounts payable in respect thereof, as provided in the terms and conditions of such Security, shall be payable, subject to the conditions set forth in Section 1004, only upon presentation of such Security to the Trustee thereof for notation thereon of the payment of such interest; provided, however, that, in the case of Bearer Securities, such presentation shall be made to the Trustee only outside the United States unless payment in Dollars of the full amount of such interest or any additional amounts payable in respect thereof at all offices or agencies outside the United States maintained for that purpose by the Company in accordance with this Indenture is illegal or effectively precluded by exchange controls or other similar restrictions.

SECTION 1002. MAINTENANCE OF OFFICE OR AGENCY.

If Securities of a series are issuable only as Registered Securities, the Company will maintain in each Place of Payment for such series an office or agency where Securities of that series may be presented or surrendered for payment, where Securities of that series may be surrendered for registration of transfer or exchange and where notices and demands to or upon the Company in respect of the Securities of that series and this Indenture may be served. Except as otherwise specified as contemplated by Section 301, if Securities of a series are issuable as Bearer Securities, the Company will maintain (a) in the Borough of Manhattan, The City of New York, or Cincinnati, Ohio, an office or agency where any Registered Securities of that series may be presented or surrendered for payment, where any Registered Securities of that series may be surrendered for registration of transfer, where Securities of that series may be surrendered for exchange, where notices and demands to or upon the Company in respect of the Securities of that series and this Indenture may be served and where Bearer Securities of that series and related coupons may be presented or surrendered for payment in the circumstances described in the following paragraph (and not otherwise), (b) subject to any laws or regulations applicable thereto, in a Place of Payment for that series which is located outside the United States, an office or agency where Securities of that series and related coupons may be presented and surrendered for payment (including payment of any additional amounts payable on Securities of that series pursuant to Section 1004); provided, however, that if the Securities of that series are listed on the London Stock Exchange, the Luxembourg Stock Exchange or any other stock exchange located outside the United States and such stock exchange shall so require, the Company will maintain a Paying Agent for the Securities of that series in London, Luxembourg or any other required city located outside the United States, as the case may be, so long as the Securities of that series are listed on such exchange, and (c) subject to any laws or regulations applicable thereto, in a Place of Payment for that series located outside the United States an office or agency where any Registered Securities of that series may be surrendered for registration of transfer, where Securities of that series may be surrendered for exchange and where notices and demands to or upon the Company in respect of the Securities of that series and this Indenture may be served. The Company will give prompt written notice to the Trustee and the Holders of the location, and any change in the location, of any such office or agency. If at any time the Company shall fail to maintain any such required office or agency in respect of any series of Securities or shall fail to furnish the Trustee with the address thereof, such presentations and surrenders of Securities of that series may be made and notices and demands may be made or served at the Corporate Trust Office of the Trustee, except that Bearer Securities of that series and the related coupons may be presented and surrendered for payment (including payment of any additional amounts payable on Bearer Securities of that series pursuant to Section 1004) at the offices outside the United States specified in the Security, and the Company hereby appoints the same as its agent to receive such respective presentations, surrenders, notices and demands.

Except as otherwise specified as contemplated by Section 301, no payment of principal of and any premium or interest on Bearer Securities shall be made at any office or agency of the Company in the United States or by check mailed to any address in the United States or by wire transfer to an account maintained with a bank located in the United States, provided, however, that, if the Securities of a series are denominated and payable in Dollars, payment of principal of and any premium and interest on any Bearer Security (including any additional amounts payable on Securities of such series pursuant to Section 1004) shall be made at the office of the

Company's Paying Agent in the Borough of Manhattan, The City of New York, or Cincinnati, Ohio, if (but only if) payment in Dollars of the full amount of such principal of and any premium, interest or additional amounts, as the case may be, at all offices or agencies outside the United States maintained for that purpose by the Company in accordance with this Indenture is illegal or effectively precluded by exchange controls or other similar restrictions.

The Company may also from time to time designate one or more other offices or agencies where the Securities of one or more series may be presented or surrendered for any or all such purposes and may from time to time rescind such designations or approve a change in location of any such other office or agency; provided, however, that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in accordance with the requirements set forth above for Securities of any series for such purposes. The Company will give prompt written notice to the Trustee and the Holders of any such designation or rescission and of any change in the location of any such other office or agency.

Except as otherwise specified as contemplated by Section 301, the Company hereby appoints the Trustee as the initial Paying Agent and designates the Corporate Trust Office of the Trustee as its office for the purposes of and pursuant to this Section 1002.

SECTION 1003. MONEY FOR SECURITIES PAYMENTS TO BE HELD IN TRUST.

If the Company shall at any time act as its own Paying Agent with respect to any series of Securities, it will, on or before each due date of the principal of and any premium or interest on any of the Securities of that series, segregate and hold in trust for the benefit of the Persons entitled thereto a sum sufficient to pay the principal and any premium or interest so becoming due until such sums shall be paid to such Persons or otherwise disposed of as herein provided and will promptly notify the Trustee of its action or failure so to act.

Whenever the Company shall have one or more Paying Agents for any series of Securities, it will, prior to each due date of the principal of and any premium or interest on any Securities of that series, deposit with a Paying Agent a sum sufficient to pay the principal and any premium or interest so becoming due, such sum to be held in trust for the benefit of the Persons entitled to such principal, premium or interest, and (unless such Paying Agent is the Trustee) the Company will promptly notify the Trustee of its action or failure so to act.

The Company will cause each Paying Agent for any series of Securities other than the Trustee to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section, that such Paying Agent will:

(a) hold all sums held by it for the payment of the principal of and any premium or interest on Securities of that series in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided;

(b) give the Trustee notice of any default by the Company (or any other obligor upon the Securities of that series) in the making of any payment of principal of and any premium or interest on the Securities of that series; and

(c) at any time during the continuance of any such default, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent.

The Company may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, pay, or by Company Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the Company or such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by the Company or such Paying Agent; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of and any premium or interest on any Security of any series and remaining unclaimed for two years after such principal and any premium or interest has become due and payable shall, unless otherwise required by mandatory provisions of applicable escheat or abandoned or unclaimed property law, be paid to the Company on Company Request, or (if then held by the Company) shall be discharged from such trust; and the Holder of such Security or any coupon appertaining thereto shall, thereafter, as an unsecured general creditor, look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Company cause to be given in the manner and to the extent provided by Section 106 notice that such money remains unclaimed and that, after a date specified therein which shall not be less than 30 days from the date of such notification, any unclaimed balance of such money then remaining will, unless otherwise required by mandatory provisions of applicable escheat or abandoned or unclaimed property law, be repaid to the Company.

SECTION 1004. ADDITIONAL AMOUNTS.

If the Securities of a series provide for the payment of additional amounts, the Company will pay to the Holder of any Security of such series or any coupon appertaining thereto additional amounts as provided therein. Whenever in this Indenture there is mentioned, in any context, the payment of the principal of or any premium or interest on, or in respect of, any Security of any series or payment of any related coupon or the net proceeds received on the sale or exchange of any Security of any series, such mention shall be deemed to include mention of the payment of additional amounts provided for in this Section to the extent that, in such context, additional amounts are, were or would be payable in respect thereof pursuant to the provisions of this Section and express mention of the payment of additional amounts (if applicable) in any provisions hereof shall not be construed as excluding additional amounts in those provisions hereof where such express mention is not made.

If the Securities of a series provide for the payment of additional amounts, at least 10 days prior to the first Interest Payment Date with respect to that series of Securities (or if the Securities of that series will not bear interest prior to Maturity, the first day on which a payment of

principal and any premium is made), and at least 10 days prior to each date of payment of principal and any premium or interest if there has been any change with respect to the matters set forth in the below-mentioned Officers' Certificate, the Company will furnish the Trustee and the Company's principal Paying Agent or Paying Agents, if other than the Trustee, with an Officers' Certificate instructing the Trustee and such Paying Agent or Paying Agents whether such payment of principal of and any premium or interest on the Securities of that series shall be made to Holders of Securities of that series or any related coupons who are United States Aliens without withholding for or on account of any tax, assessment or other governmental charge described in the Securities of that series. If any such withholding shall be required, then such Officers' Certificate shall specify by country the amount, if any, required to be withheld on such payments to such Holders of Securities or coupons and the Company will pay to the Trustee or such Paying Agent the additional amounts required by this Section. The Company covenants to indemnify the Trustee and any Paying Agent for, and to hold them harmless against, any loss, liability or expense reasonably incurred without negligence or bad faith on their part arising out of or in connection with actions taken or omitted by any of them in reliance on any Officers' Certificate furnished pursuant to this Section.

SECTION 1005. STATEMENTS AS TO COMPLIANCE.

The Company will deliver to the Trustee, within 120 days after the end of each fiscal year, a written statement signed by the principal executive officer, principal financial officer or principal accounting officer of the Company stating that:

(1) a review of the activities of the Company during such year and of performance under this Indenture has been made under his supervision; and

(2) to the best of his knowledge, based on such review, the Company is (or is not) in compliance with all conditions and covenants under this Indenture, and if the signer has obtained knowledge of any default by the Company in the performance, observance or fulfillment of any such condition or covenant, specifying each such default and the nature and status thereof.

For purposes of this Section, such compliance shall be determined without regard to any period of grace or requirement of notice provided under this Indenture.

SECTION 1006. CORPORATE EXISTENCE.

Subject to Article Eight, the Company will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence.

SECTION 1007. PURCHASE OF SECURITIES BY COMPANY OR SUBSIDIARY.

If and so long as the Securities of a series are listed on the London Stock Exchange and such stock exchange shall so require, the Company will not, and will not permit any of its Subsidiaries to, purchase any Securities of that series by private treaty at a price (exclusive of expenses and accrued interest) which exceeds 120% of the mean of the nominal quotations of the

Securities of that series as shown in The Stock Exchange Daily Official List for the last trading day preceding the date of purchase.

SECTION 1008. LIENS ON ASSETS.

Except as hereinafter provided in this Section 1008, so long as any Security shall remain Outstanding, the Company will not, and will not permit any Subsidiary to, create or suffer to exist any Mortgage, or otherwise subject to any Mortgage the whole or any part of any property or assets now owned or hereafter acquired by any of them, without securing, or causing such Subsidiary to secure, the Outstanding Securities, and any Indebtedness of the Company and such Subsidiary which may then be outstanding and entitled to the benefit of a covenant similar in effect to this covenant, equally and ratably with the Indebtedness secured by such Mortgage, for as long as any such Indebtedness is so secured. The foregoing covenant does not apply to the creation, extension, renewal or refunding of the following:

(a) any Mortgage on any property of a corporation existing at the time such corporation is merged into or consolidated with, or at the time such corporation becomes a Subsidiary of, the Company or any Subsidiary or at the time of a sale, lease or other disposition of the assets of a corporation or other entity as an entirety or substantially as an entirety to the Company or such Subsidiary; provided, however, that such Mortgage does not spread (i) to other property at such time owned by the Company or any of its Subsidiaries or (ii) with respect to a merger or consolidation only, to other property thereafter acquired;

(b) any Mortgage (i) on any property acquired or constructed by the Company or any Subsidiary to secure all or a portion of the price of such acquisition or construction or funds borrowed to pay all or a portion of the price of such acquisition or construction (including any Capitalized Lease Obligation) or (ii) to which any property or asset acquired by the Company or any Subsidiary is subject as of the date of its acquisition by the Company or such Subsidiary;

(c) any Mortgage to secure public or statutory obligations or with any governmental agency at any time required by law in order to qualify the Company or any Subsidiary to conduct its business or any part thereof or in order to entitle it to maintain self-insurance or to obtain the benefits of any law relating to workers' compensation, unemployment insurance, old age pensions or other social security, or with any court, board, commission, or governmental agency as security incident to the proper conduct of any proceeding before it, including any Mortgage securing a letter of credit issued in the ordinary course of business in connection with any of the foregoing;

(d) any Mortgage securing the performance of bids, tenders, leases, contracts (other than for the repayment of borrowed money), statutory obligations, surety and appeal bonds and other obligations of like nature, incurred as an incident to and in the ordinary course of business;

(e) any Mortgage imposed by law, such as carriers', warehousemen's, mechanics', materialmen's suppliers', repairmen's and vendors' liens, incurred in good

faith in the ordinary course of business with respect to obligations not delinquent or which are being contested in good faith by appropriate proceedings and as to which the Company or the relevant Subsidiary, as the case may be, shall have set aside on its books adequate reserves;

(f) any Mortgage securing the payment of taxes, assessments and governmental charges or levies, either (i) not delinquent or (ii) being contested in good faith by appropriate legal or administrative proceedings and as to which the Company or the relevant Subsidiary, as the case may be, shall have set aside on its books adequate reserves;

(g) any Mortgage created by or resulting from any litigation or proceeding which is currently being contested in good faith by appropriate proceedings and as to which (i) levy and execution have been stayed and continue to be stayed and (ii) the Company or the relevant Subsidiary, as the case may be, shall have set aside on its books adequate reserves; and

(h) any Mortgage securing Indebtedness of a wholly owned Subsidiary to the Company or to another wholly owned Subsidiary for so long as such Indebtedness is held by the Company or such other wholly owned Subsidiary, in each case subject to no Mortgage held by a Person other than the Company or such other wholly owned Subsidiary.

Notwithstanding the foregoing restrictions of this Section 1008, the Company and any Subsidiary may at any time create or suffer to exist any Mortgage which would otherwise be subject to the foregoing restrictions if the aggregate principal amount of Indebtedness secured by such Mortgage, together with (i) the aggregate principal amount of all other Indebtedness secured by Mortgages of the Company and any of its Subsidiaries then outstanding which would otherwise be subject to the foregoing restriction (not including Indebtedness secured by Mortgages permitted to be created or exist under paragraphs (a) through (h) above) and (ii) the aggregate in value of all Sale and Leaseback Transactions entered into by the Company and any of its Subsidiaries at such time which would be subject to the restrictions of Section 1009 except for the last sentence of such Section, does not at any time exceed 15% of Shareholders' Ownership.

SECTION 1009. LIMITATION ON SALE AND LEASEBACK TRANSACTIONS.

The Company will not, and will not permit any Subsidiary to, enter into any Sale and Leaseback Transaction. This covenant shall not apply to any Sale and Leaseback Transaction if:

(a) the lease in such Sale and Leaseback Transaction is a for a period not exceeding three years and the Company or the Subsidiary which is a party to such lease intends that its use of the property or asset which is the subject of such Sale and Leaseback Transaction will be discontinued on or before the expiration of such period;

(b) the sale or transfer of any property or asset subject to such Sale and Leaseback Transaction is made prior to, at the time of, or within 180 days after the later

of the date of the acquisition (including acquisition through merger or consolidation) of such property or asset or the completion of construction or material improvement thereof;

(c) the Company or any Subsidiary shall apply an amount equal to the value of the property or asset so leased (as determined in any manner approved by the Board of Directors) to the retirement, within 180 days after the effective date of any such arrangement, of any Securities or Indebtedness of the Company or its Subsidiaries that is not subordinate in right of payment to the Securities; provided, however, that the amount to be so applied to the retirement of any Securities or such Indebtedness may be reduced by (i) the principal amount of any Securities delivered within 180 days before or after the effective date of any such arrangement to the Trustee for retirement and cancellation, and (ii) the principal amount of any such Indebtedness, other than Securities, retired (other than at maturity) by the Company or a Subsidiary within 180 days before or after the effective date of any such arrangement;

(d) the lease in such Sale and Leaseback Transaction secures or relates to obligations issued by the United States, any state thereof or the District of Columbia, or any department, agency or instrumentality or political subdivision of any of the foregoing, or by any other country or any department, agency or instrumentality or political subdivision thereof, or any agent or trustee acting on behalf of any of the foregoing or on behalf of the holders of obligations issued by any of the foregoing, to finance the acquisition or construction or material improvement of the property or asset so leased; or

(e) the Sale and Leaseback Transaction is between or among the Company and one or more Subsidiaries, or between or among Subsidiaries.

Notwithstanding the foregoing provisions of this Section 1009, the Company and any Subsidiary may at any time enter into a Sale and Leaseback Transaction which would otherwise be subject to the foregoing restrictions if the aggregate in value of such Sale and Leaseback Transaction, together with (i) the aggregate in value of all other Sale and Leaseback Transactions entered into by the Company and any of its Subsidiaries at such time which would otherwise be subject to the foregoing restriction (not including Sale and Leaseback Transactions permitted to be entered into under paragraphs (a) through (e) above) and (ii) the aggregate principal amount of all other Indebtedness secured by Mortgages of the Company and any of its Subsidiaries then outstanding which would be subject to the restrictions of Section 1008 except for the last sentence of such Section, does not at any time exceed 15% of Shareholders' Ownership.

SECTION 1010. WAIVER OF CERTAIN COVENANTS.

The Company may with respect to the Securities of a series omit in any particular instance to comply with any term, provision or condition set forth in Sections 801(c) and 1006 to 1009, inclusive, and any other covenant not set forth herein and specified pursuant to Section 301 to be applicable to the Securities of any series if before the time for such compliance the Holders of at least 66-2/3% in principal amount of the Outstanding Securities of such series shall, by Act of such Holders, either waive such compliance in such instance or generally waive compliance with such term, provision or condition, but no such waiver shall extend to or affect

such term, provision or condition except to the extent expressly so waived, and, until such waiver shall become effective, the obligations of the Company and the duties of the Trustee in respect of any such term, provision or condition shall remain in full force and effect.

SECTION 1011. DEFEASANCE OF CERTAIN OBLIGATIONS.

Unless this Section is specified, as contemplated by Section 301, to be inapplicable to Securities of any series, the Company may omit to comply with any term, provision or condition set forth in Sections 801(c), 1007, 1008 and 1009, and such omission with respect to Sections 801(c), 1007, 1008 and 1009, shall not be an Event of Default, in each case with respect to Securities of that series, provided that the following conditions have been satisfied:

(a) with reference to this Section, the Company has deposited or caused to be deposited with the Trustee irrevocably (but subject to the provisions of Section 402 and the last paragraph of Section 1003), as trust funds in trust, specifically pledged as security for, and dedicated solely to, the benefit of the Holders of the Securities of that series, (i) lawful money of the United States (or, if the Securities of such series are payable in a currency other than Dollars, lawful money of the payment currency) in an amount, or (ii) U.S. Government Obligations which through the payment of interest and principal in respect thereof in accordance with their terms will provide not later than the opening of business on the due dates of any payments referred to in clause (A) or (B) of this subparagraph (a) lawful money of the United States in an amount, or (iii) a combination thereof, sufficient in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay and discharge (A) the principal of (and premium, if any) and each installment of principal (and premium, if any) and any interest on the Outstanding Securities of that series on the Stated Maturity Date of such principal or installment of principal or interest and (B) any mandatory sinking fund payments or analogous payments applicable to Securities of such series on the day on which such payments are due and payable in accordance with the terms of this Indenture and of such Securities and such funds have been deposited for 91 days;

(b) the Company has paid or caused to be paid all other sums payable with respect to the Outstanding Securities of such series;

(c) such deposit shall not in the Opinion of Counsel cause the Trustee with respect to the Securities of that series to have a conflicting interest as defined in Section 608 and for purposes of the Trust Indenture Act with respect to the Securities of any series;

(d) such deposit will not result in a breach or violation of, or constitute a default under, this Indenture or any other agreement or instrument to which the Company is a party or by which it is bound;

(e) no Event of Default or event which with the giving of notice or lapse of time, or both, would become an Event of Default with respect to the Securities of that series shall have occurred and be continuing on the date of such deposit and no Event of

Default under Section 501(e) or Section 501(f) or event which with the giving of notice or lapse of time, or both, would become an Event of Default under Section 501(e) or Section 501(f) shall have occurred and be continuing on the 91st day after such date;

(f) the Company has delivered to the Trustee an Opinion of Counsel or a ruling from or published by the United States Internal Revenue Service, to the effect that Holders of the Securities of such series will not recognize income, gain or loss for federal income tax purposes as a result of such deposit and defeasance of certain obligations and will be subject to federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred;

(g) if the Securities of that series are then listed on any foreign or domestic securities exchange, the Company has delivered to the Trustee an Opinion of Counsel to the effect that such deposit and defeasance will not cause such Securities to be delisted; and

(h) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the defeasance contemplated in this Section have been complied with and an Opinion of Counsel to the effect that either (i) as a result of such deposit and the related exercise of the Company's option under this Section, registration is not required under the Investment Company Act of 1940, as amended, by the Company, the trust funds representing such deposit or the Trustee or (ii) all necessary registrations under said Act have been effected.

ARTICLE ELEVEN
REDEMPTION OF SECURITIES

SECTION 1101. APPLICABILITY OF ARTICLE.

Securities of any series which are redeemable before their Stated Maturity Date shall be redeemable in accordance with their terms and (except as specified as contemplated by Section 301 for Securities of any series) in accordance with this Article.

SECTION 1102. ELECTION TO REDEEM; NOTICE TO TRUSTEE.

The election of the Company to redeem any Securities shall be evidenced by a Board Resolution. In the case of any redemption at the election of the Company of less than all the Securities of any series, the Company shall, at least 60 days prior to the Redemption Date fixed by the Company (unless a shorter notice shall be satisfactory to the Trustee), notify the Trustee of such Redemption Date and of the principal amount of Securities of such series to be redeemed and shall deliver to the Trustee such documentation and records as shall enable the Trustee to select the Securities to be redeemed pursuant to Section 1103. In the case of any redemption of Securities (a) prior to the expiration of any restriction on such redemption provided in the terms of such Securities or elsewhere in this Indenture, or (b) pursuant to an election of the Company which is subject to a condition specified in the terms of such Securities, the Company shall

furnish the Trustee with an Officers' Certificate evidencing compliance with such restriction or condition.

SECTION 1103. SELECTION BY TRUSTEE OF SECURITIES TO BE REDEEMED.

If less than all the Securities of any series having the same terms are to be redeemed, the particular Securities to be redeemed shall be selected not more than 60 days prior to the Redemption Date by the Trustee, from the Outstanding Securities of such series not previously called for redemption, by such method as the Trustee shall deem fair and appropriate and which may provide for the selection for redemption of portions (equal to the minimum authorized denomination for Securities of that series or any integral multiple thereof) of the principal amount of Registered Securities of such series of a denomination larger than the minimum authorized denomination for Securities of that series. If so specified in the Securities of a series, partial redemptions must be in an amount not less than $1,000,000 principal amount of Securities.

The Trustee shall promptly notify the Company in writing of the Securities selected for redemption and, in the case of any Securities selected for partial redemption, the principal amount thereof to be redeemed.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Securities shall relate, in the case of any Securities redeemed or to be redeemed only in part, to the portion of the principal amount of such Securities which has been or is to be redeemed.

SECTION 1104. NOTICE OF REDEMPTION.

Notice of redemption shall be given in the manner provided in Section 106 to the Holders of Securities to be redeemed not less than 30 nor more than 60 days prior to the Redemption Date.

All notices of redemption shall state:

(a) the Redemption Date,

(b) the Redemption Price, or if not then ascertainable, the manner of calculation thereof;

(c) if less than all the Outstanding Securities of any series having the same terms are to be redeemed, the identification (and, in the case of partial redemption, the principal amounts) of the particular Securities to be redeemed,

(d) that on the Redemption Date the Redemption Price will become due and payable upon each such Security or portion thereof to be redeemed and, if applicable, the interest thereon will cease to accrue on and after said date,

(e) the place or places where such Securities, together in the case of Bearer Securities with all coupons appertaining thereto, if any, maturing after the Redemption Date, are to be surrendered for payment of the Redemption Price,

(f) that the redemption is for a sinking fund, if such is the case,

(g) that, unless otherwise specified in such notice, Bearer Securities of any series, if any, surrendered for redemption must be accompanied by all coupons maturing subsequent to the date fixed for redemption or the amount of any such missing coupon or coupons will be deducted from the Redemption Price, unless security or indemnity satisfactory to the Company, the Trustee and any Paying Agent is furnished, and

(h) if Bearer Securities of any series are to be redeemed and any Registered Securities of such series are not to be redeemed, and if such Bearer Securities may be exchanged for Registered Securities not subject to redemption on this Redemption Date pursuant to Section 305 or otherwise, the last date, as determined by the Company, on which such exchanges may be made.

A notice of redemption published as contemplated by Section 106 need not identify particular Registered Securities to be redeemed.

Notice of redemption of Securities to be redeemed at the election of the Company shall be given by the Company or, at the Company's request, by the Trustee in the name and at the expense of the Company.

SECTION 1105. DEPOSIT OF REDEMPTION PRICE.

Prior to any Redemption Date, the Company shall deposit with the Trustee or with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 1003) an amount of money sufficient to pay the Redemption Price of, and (except if the Redemption Date shall be an Interest Payment Date unless otherwise specified as contemplated by Section 301) any accrued interest on, all the Securities which are to be redeemed on that date.

SECTION 1106. SECURITIES PAYABLE ON REDEMPTION DATE.

Notice of redemption having been given as aforesaid, the Securities so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Company shall default in the payment of the Redemption Price and any accrued interest) such Securities shall cease to bear interest and the coupons for such interest appertaining to any Bearer Securities so to be redeemed, except to the extent provided below, shall be void. Upon surrender of any such Security for redemption in accordance with said notice, together with all coupons, if any, appertaining thereto maturing after the Redemption Date, such Security or specified portions thereof shall be paid by the Company at the Redemption Price, together with any accrued interest to the Redemption Date; provided, however, that installments of interest on Bearer Securities whose Stated Maturity Date is on or prior to the Redemption Date shall be payable only at an office or agency located outside the United States (except as otherwise provided in Section 1002) and, unless otherwise specified as

contemplated by Section 301, only upon presentation and surrender of coupons for such interest; and provided, further, that, unless otherwise specified as contemplated by Section 301, installments of interest on Registered Securities whose Stated Maturity Date is on or prior to the Redemption Date shall be payable to the Holders of such Securities, or one or more Predecessor Securities, registered as such at the close of business on the relevant Record Dates according to their terms and the provisions of Sections 305 and 307.

If any Bearer Security surrendered for redemption shall not be accompanied by all appurtenant coupons maturing after the Redemption Date, such Security may be paid after deducting from the Redemption Price an amount equal to the face amount of all such missing coupons, or the surrender of such missing coupon or coupons may be waived by the Company and the Trustee, if there be furnished to them such security or indemnity as they may require to save each of them and any Paying Agent harmless. If thereafter the Holder of such Security shall surrender to the Trustee or any Paying Agent any such missing coupon in respect of which a deduction shall have been made from the Redemption Price, such Holder shall be entitled to receive the amount so deducted; provided, however, that interest represented by coupons shall be payable only at an office or agency located outside the United States (except as otherwise provided in Section 1002) and, unless otherwise specified as contemplated by Section 301, only upon presentation and surrender of those coupons.

If any Security called for redemption shall not be so paid upon surrender thereof for redemption, the principal and any premium shall, until paid, bear interest from the Redemption Date at the rate prescribed therefor in the Security.

SECTION 1107. SECURITIES REDEEMED IN PART.

Any Registered Security which is to be redeemed only in part shall be surrendered at a Place of Payment therefor (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder thereof or his attorney duly authorized in writing), and the Company shall execute, and the Trustee shall authenticate and deliver to the Holder of such Security without service charge, a new Registered Security or Securities of the same series and of like tenor, of any authorized denomination as requested by such Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Security so surrendered. If a Security in permanent global form is so surrendered, the Company shall execute, and the Trustee shall authenticate and deliver to the U.S. Depositary or Common Depositary for such Security in permanent global form, without service charge, a new Security in permanent global form in a denomination equal to and in exchange for the unredeemed portion of the principal of the Security in permanent global form so surrendered.

ARTICLE TWELVE
SINKING FUNDS

SECTION 1201. APPLICABILITY OF ARTICLE.

The provisions of this Article shall be applicable to any sinking fund for the retirement of Securities of a series except as otherwise specified as contemplated by Section 301 for Securities of such series.

The minimum amount of any sinking fund payment provided for by the terms of Securities of any series is herein referred to as a "mandatory sinking fund payment," and any payment in excess of such minimum amount provided for by the terms of Securities of any series is herein referred to as an "optional sinking fund payment" If provided for by the terms of Securities of any series, the cash amount of any sinking fund payment may be subject to reduction as provided in Section 1202. Each sinking fund payment shall be applied to the redemption of Securities of any series as provided for by the terms of Securities of such series.

SECTION 1202. SATISFACTION OF SINKING FUND PAYMENTS WITH SECURITIES.

The Company (a) may deliver Outstanding Securities of a series (other than any previously called for redemption), together in the case of any Bearer Securities of such series with all unmatured coupons appertaining thereto, and (b) may apply as a credit Securities of a series which have been redeemed either at the election of the Company pursuant to the terms of such Securities or through the application of permitted optional sinking fund payments pursuant to the terms of such Securities, in each case in satisfaction of all or any part of any sinking fund payment with respect to the Securities of such series required to be made pursuant to the terms of such Securities as provided for by the terms of such series; provided, that such Securities have not been previously so credited. Such Securities shall be received and credited for such purpose by the Trustee at the Redemption Price specified in such Securities for redemption through operation of the sinking fund and the amount of such sinking fund payment shall be reduced accordingly.

SECTION 1203. REDEMPTION OF SECURITIES FOR SINKING FUND.

Not less than 60 days prior to each sinking fund payment date for any series of Securities, the Company will deliver to the Trustee an Officers' Certificate specifying the amount of the next ensuing sinking fund payment for that series pursuant to the terms of that series, the portion thereof, if any, which is to be satisfied by payment of cash and the portion thereof, if any, which is to be satisfied by delivering and crediting Securities of that series pursuant to Section 1202 and shall state the basis for such credit and that such Securities have not previously been so credited and will also deliver to the Trustee any Securities to be so delivered (if not previously delivered). Not less than 30 days before each such sinking fund payment date the Trustee shall select the Securities to be redeemed upon such sinking fund payment date in the manner specified in Section 1103 and cause notice of the redemption thereof to be given in the name of and at the expense of the Company in the manner provided in Section 1104. Such notice having been duly

given, the redemption of such Securities shall be made upon the terms and in the manner stated in Sections 1105, 1106 and 1107.

ARTICLE THIRTEEN
MEETINGS OF HOLDERS OF SECURITIES

SECTION 1301. PURPOSES FOR WHICH MEETINGS MAY BE CALLED.

A meeting of Holders of Securities of any series may be called at any time and from time to time pursuant to this Article to make, give or take any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be made, given or taken by Holders of Securities of such series.

SECTION 1302. CALL, NOTICE AND PLACE OF MEETINGS.

(a) The Trustee may at any time call a meeting of Holders of Securities of any Securities for any purpose specified in Section 1301, to be held at such time and at such place in the Borough of Manhattan, The City of New York, Cincinnati, Ohio or London, England as the Trustee shall determine. Notice of every meeting of Holders of Securities of any series, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting, shall be given, in the manner provided in Section 106, not less than 20 nor more than 180 days prior to the date fixed for the meeting.

(b) In case at any time the Company, pursuant to a Board Resolution, or the Holders of at least 10% in principal amount of the Outstanding Securities of any such series shall have requested the Trustee to call a meeting of the Holders of Securities of such series for any purpose specified in Section 1301, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Trustee shall not have mailed notice of or made the first publication of the notice of such meeting within 30 days after receipt of such request or shall not thereafter proceed to cause the meeting to be held as provided herein, the Company or the Holders of Securities of such series in the amount above specified, as the case may be, may determine the time and the place in the Borough of Manhattan, The City of New York, Cincinnati, Ohio or London for such meeting and may call such meeting for such purposes by giving notice thereof as provided in subsection (a) of this Section.

SECTION 1303. PERSONS ENTITLED TO VOTE AT MEETINGS.

To be entitled to vote at any meeting of Holders of Securities of any series, a Person shall be (a) a Holder of one or more Outstanding Securities of such series, or (b) a Person appointed by an instrument in writing as proxy for a Holder or Holders of one or more Outstanding Securities of such series by such Holder or Holders. The only Persons who shall be entitled to be present or to speak at any meeting of Holders of Securities of any series shall be the Persons entitled to vote at such meeting and their counsel, any representatives of the Trustee and its counsel and any representatives of the Company and its counsel.

SECTION 1304. QUORUM; ACTION.

The Persons entitled to vote a majority in principal amount of the Outstanding Securities of a series shall constitute a quorum for a meeting of Holders of Securities of such series; provided, however, that if any action is to be taken at such meeting with respect to a consent or waiver which this Indenture expressly provides may be given by the Holders of not less than 66-2/3% in principal amount of the Outstanding Securities of a series, the Persons entitled to vote 66-2/3% in principal amount of the Outstanding Securities of such series shall constitute a quorum. In the absence of quorum within 30 minutes of the time appointed for any such meeting, the meeting shall, if convened at the request of Holders of Securities of such series, be dissolved. In any other case the meeting may be adjourned for a period of not less than 10 days as determined by the chairman of the meeting prior to the adjournment of such meeting. In the absence of a quorum at any adjourned meeting, such adjourned meeting may be further adjourned for a period of not less than 10 days as determined by the chairman of the meeting prior to the adjournment of such adjourned meeting. Notice of the reconvening of any adjourned meeting shall be given as provided in Section 1302(a), except that such notice need be given only once not less than five days prior to the date on which the meeting is scheduled to be reconvened. Notice of the reconvening of an adjourned meeting shall state expressly the percentage, as provided above, of the principal amount of the Outstanding Securities of such series which shall constitute a quorum.

Except as limited by the proviso to Section 902, any resolution presented to a meeting or adjourned meeting duly reconvened at which a quorum is present as aforesaid may be adopted by the affirmative vote of the Holders of a majority in principal amount of the Outstanding Securities of that series; provided, however, that, except as limited by the proviso to Section 902, any resolution with respect to any consent or waiver which this Indenture expressly provides may be given by the Holders of not less than 66-2/3% in principal amount of the Outstanding Securities of a series may be adopted at a meeting or an adjourned meeting duly convened and at which a quorum is present as aforesaid only by the affirmative vote of the Holders of 66-2/3% in principal amount of the Outstanding Securities of that series; and provided, further, that, except as limited by the proviso to Section 902, any resolution with respect to any request, demand, authorization, direction, notice, consent, waiver or other action which this Indenture expressly provides may be made, given or taken by the Holders of a specified percentage, which is less than a majority, in principal amount of the Outstanding Securities of a series may be adopted at a meeting or an adjourned meeting duly reconvened and at which a quorum is present as aforesaid by the affirmative vote of the Holders of such specified percentage in principal amount of the Outstanding Securities of that series.

Except as limited by the proviso to Section 902, any resolution passed or decision taken at any meeting of Holders of Securities of any series duly held in accordance with this Section shall be binding on all the Holders of Securities of such series and the related coupons, whether or not present or represented at the meeting.

SECTION 1305. DETERMINATION OF VOTING RIGHTS; CONDUCT AND ADJOURNMENT OF MEETINGS.

(a) Notwithstanding any other provisions of this Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of Holders of Securities of a series in regard to proof of the holding of Securities of such series and of the appointment of proxies and in regard to the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote and such other matters concerning the conduct of the meeting as it shall deem appropriate. Except as otherwise permitted or required by any such regulation, the holding of Securities shall be proved in the manner specified in Section 104 and the appointment of any proxy shall be proved in the manner specified in Section 104 or by having the signature of the person executing the proxy witnessed or guaranteed by any trust company, bank or banker authorized by Section 104 to certify to the holding of Bearer Securities. Such regulations may provide that written instruments appointing proxies, regular on their face, may be presumed valid and genuine without proof specified in Section 104 or other proof.

(b) The Trustee shall, by an instrument in writing, appoint a temporary chairman of the meeting, unless the meeting shall have been called by the Company or by Holders of Securities as provided in Section 1302(b), in which case the Company or the Holders of Securities of the series calling the meeting, as the case may be, shall in like manner appoint a temporary chairman. A permanent chairman and a permanent secretary of the meeting shall be elected by vote of the Persons entitled to vote a majority in principal amount of the Outstanding Securities of such series represented at the meeting.

(c) At any meeting each Holder of a Security of such series or proxy shall be entitled to one vote for each $1,000 (or equivalent thereof in a foreign currency or currency unit) principal amount of Outstanding Securities of such series held or represented by him; provided, however, that no vote shall be cast or counted at any meeting in respect of any Security challenged as not Outstanding and ruled by the chairman of the meeting to be not Outstanding. The chairman of the meeting shall have no right to vote, except as a Holder of a Security of such series or proxy.

(d) Any meeting of Holders of Securities of any series duly called pursuant to Section 1302 at which a quorum is present may be adjourned from time to time by Persons entitled to vote a majority in principal amount of the Outstanding Securities of such series represented at the meeting; and the meeting may be held as so adjourned without further notice.

SECTION 1306. COUNTING VOTES AND RECORDING ACTION OF MEETINGS.

The vote upon any resolution submitted to any meeting of Holders of Securities of any series shall be by written ballots on which shall be subscribed the signatures of the Holders of Securities of such series or of their representatives by proxy and the principal amounts and serial numbers of the Outstanding Securities of such Series held or represented by them. The permanent chairman of the meeting shall appoint two inspectors of votes who shall count all

votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record, at least in duplicate, of the proceedings of each meeting of Holders of Securities of any series shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was given as provided in Section 1302 and, if applicable, Section 1304. Each copy shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting and one such copy shall be delivered to the Company, and another to the Trustee to be preserved by the Trustee, the latter to have attached thereto the ballots voted at the meeting. Any record so signed and verified shall be conclusive evidence of the matters therein stated.

* * *

This instrument may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, and their respective corporate seals to be hereunto affixed and attested, all as of the day and year first above written.

THE E.W. SCRIPPS COMPANY

Attest:

By:

Title:

JPMORGAN CHASE BANK

Attest:

By:

Title:

STATE OF :

: ss:
COUNTY OF : :

On the __ day of _____, 2002, before me personally came _____ to me known, who, being by me duly sworn, did depose and say that he is _____ of The E.W. Scripps Company, one of the corporations described in and which executed the foregoing instrument, and that he signed his name thereto by authority of the Board of Directors of said corporation.

(Seal)

Notary Public

STATE OF NEW YORK :
: ss:
COUNTY OF NEW YORK :

On the __th day of _____, 2002, before me personally came _____ to me known, who, being by me duly sworn, did depose and say that he is _____ of JPMorgan Chase Bank, a New York banking corporation, one of the corporations described in and which executed the foregoing instrument, and that she signed her name thereto by authority of the Board of Directors of said corporation.

(Seal)

Notary Public

EXHIBIT A

[FORM OF REGISTERED SECURITY WHICH IS NOT
AN ORIGINAL ISSUE DISCOUNT SECURITY]
[FORM OF FACE]

THE E.W. SCRIPPS COMPANY No. [R-] [U.S.$][payment currency if not U.S.$]

[If the registered owner of this Security (as indicated below) is The Depository Trust Company (the "Depositary") or a nominee of the Depositary, insert--Unless this certificate is presented by an authorized representative of The Depository Trust Company (55 Water Street, New York, New York) to the Company or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of CEDE & CO., or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to CEDE & CO. or to such other entity as is requested by an authorized representative of The Depository Trust Company, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, CEDE & CO., has an interest herein.]

ISSUE PRICE:

INITIAL REDEMPTION DATE:

ORIGINAL ISSUE DATE:

STATED MATURITY DATE:

BASE RATE:

INITIAL INTEREST RATE:

OPTION TO ELECT REPAYMENT: __ YES __NO

INDEX MATURITY:

OPTIONAL REPAYMENT DATES:

SPREAD (PLUS OR MINUS):

OPTIONAL REPAYMENT PRICES:

SPREAD MULTIPLIER:

OPTIONAL RESET DATES:

MAXIMUM INTEREST RATE:

OPTIONAL EXTENSION: __YES __NO

MINIMUM INTEREST RATE:

FINAL MATURITY:

INTEREST RESET PERIOD:

DEPOSITARY:

INTEREST RESET DATES:

REPAYMENT PROVISIONS (If applicable):

INTEREST PAYMENT DATES:

OTHER PROVISIONS:

THE E.W. SCRIPPS COMPANY, a corporation duly organized and existing under the laws of Ohio (herein called the "Company," which term includes any successor Person under the Indenture referred to on the reverse hereof), for value received, hereby promises to pay to _____, or registered assigns, the principal sum of _____ [United States Dollars] [specify other payment currency if not payable in United States Dollars] on _____ and to pay interest thereon from _____, [20__], or from the most recent Interest Payment Date to which interest has been paid or duly provided for in arrears [If applicable, insert--; provided, however, that if this Security has a weekly Interest Rate Reset Period, as shown above, such interest will be paid from the Original Issue Date shown above or from the day following the most recent Regular Record Date to which interest has been paid or duly provided for in arrears]. Interest will be paid [semi-annually in arrears on in each year] [annually in arrears on in each year] ([each] an "Interest Payment Date") commencing _____ [20__], at the rate of ____% per annum [or describe formula to calculate rate, e.g. commercial paper rate], until the principal hereof is paid or made available for payment. [If applicable, insert--, and (to the extent that the payment of such interest shall be legally enforceable) at the rate of ____% per annum on any overdue principal [and premium] and on any overdue installment of interest]. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be the [or] (whether or not a Business Day) [, as the case may be,] next preceding such Interest Payment Date; provided, however, that interest payable at Maturity will be payable to the Person to whom principal shall be payable. The first payment of interest on any Security originally issued between a Regular Record Date and an Interest Payment Date will be made on the Interest Payment Date following the next succeeding Regular Record Date to the registered owner on such Regular Record Date. Except as otherwise provided in the Indenture, any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities

exchange on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture. Payment of the principal of [(and premium, if any)] and interest on this Security will be made at [the office or agency of the Company maintained for that purpose in _____, in such coin or currency of [the United States of America] [home country of payment currency if not United States Dollars] as at the time of payment is legal tender for payment of public and private debts] [the option of the Holder (a) at [the Corporate Trust Office of the Trustee] or such other office or agency of the Company as may be designated by it for such purpose in the Borough of Manhattan, The City of New York or [_____] in such coin or currency of [the United States of America] [home country of payment currency if not United States Dollars] as at the time of payment shall be legal tender for the payment of public and private debts or (b) subject to any laws or regulations applicable thereto and to the right of the Company (limited as provided in the Indenture) to rescind the designation of any such Paying Agent, at the [main] offices of in, _____ in _____, in _____and in _____, or at such other offices or agencies as the Company may designate, by [United States Dollar] [payment currency if not United States Dollars] check drawn on, or transfer to a [United States Dollar] [payment currency if not United States Dollars] account maintained by the payee with, a bank in The City of New York or [_____].] [If applicable, insert--; provided, however, that at the option of the Company payment of interest may be made by [United States Dollar] [payment currency if not United States Dollars] check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register] [or by wire transfer to an account maintained by such Person with a bank in the [continental United States] (so long as the Paying Agent has received proper transfer instructions in writing at least __ Business Days prior to the payment date)].

[If the registered owner of this Security is the Depositary or a nominee of the Depositary, insert--THIS GLOBAL NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR OF THE DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR.]

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth in this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof, directly or through an Authenticating Agent, by manual signature of an authorized officer, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its corporate seal.

Dated: _____

THE E.W. SCRIPPS COMPANY

By

Authorized officer

[SEAL]

ATTEST:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated herein and referred to in the within-mentioned Indenture.

JPMorgan Chase Bank, as Trustee

By

Authorized Officer

JPMorgan Chase Bank, as Trustee

or By , as

Authenticating Agent

By:

Authorized Officer

[FORM OF REVERSE]

This Security is one of a duly authorized issue of securities of the Company (herein called the "Securities"), issued and to be issued in one or more series under an Indenture, dated as of _____, 2002 (herein called the "Indenture"), between the Company and JPMorgan Chase Bank, as Trustee (herein called the "Trustee," which term includes any successor trustee under the Indenture), to which Indenture and all Indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof [, limited in aggregate principal amount to _____[U.S.$][payment currency if not U.S.$]].

[If applicable, insert--Calculation of the Spread and Spread Multiplier shall be done in accordance with the Indenture, as it may be amended or supplemented to the date hereof.]

[If applicable, insert--The Securities of this series are subject to redemption [(1)] [If applicable, insert--on in any year commencing with the year and ending with the year through operation of the sinking fund for this series at a Redemption Price equal to 100% of the principal amount, [and (2)] [If applicable, insert--at any time [on or after], as a whole or in part, at the election of the Company, at the following Redemption Prices (expressed as percentages of the principal amount). If redeemed [on or before _____, _____%, and if redeemed] during the 12-month period beginning of the years indicated,

YEAR	REDEMPTION PRICE	YEAR	REDEMPTION PRICE
- ----	----------	----	----------
- ----	----------	----	----------
- ----	----------	----	----------
- ----	----------	----	----------
- ----	----------	----	----------

and thereafter at a Redemption Price equal to _____ % of the principal amount,] [If applicable, insert--[and (_____)] under the circumstances described in the next [two] succeeding paragraph[s] at a Redemption Price equal to 100% of the principal amount,] together in the case of any such redemption [If applicable, insert--(whether through operation of the sinking fund or otherwise)] with accrued interest to the Redemption Date; provided, however, that installments of interest on this Security whose Stated Maturity Date is on or prior to such Redemption Date will be payable to the Holder of this Security, or one or more Predecessor Securities, of record at the close of business on the relevant Record Dates referred to on the face hereof, all as provided in the Indenture.]

[If applicable, insert--The Securities of this series are subject to redemption (1) on in any year commencing with the year and ending with the year through operation of the sinking fund for this series at the Redemption Prices for redemption through operation of the sinking fund (expressed as percentages of the principal amount) set forth in the table below, and (2) at any time [on or after _____], as a whole or in part, at the election of the Company, at the Redemption Prices for redemption otherwise than through operation of the sinking fund

(expressed as percentages of the principal amount) set forth in the table below: If redeemed during the 12-month period beginning of the years indicated, YEAR REDEMPTION PRICES FOR REDEMPTION REDEMPTION PRICES FOR REDEMPTION OTHERWISE THROUGH OPERATION OF THE SINKING FUND THAN THROUGH OPERATION OF THE SINKING FUND and thereafter at a Redemption Price equal to % of the principal amount. [If applicable, insert and (3) under the circumstances described in the next [two] succeeding paragraph[s] at a Redemption Price equal to 100% of the principal amount,] together in the case of any such redemption (whether through operation of the sinking fund or otherwise) with accrued interest to the Redemption Date; provided, however, that installments of interest on this Security whose Stated Maturity Date is on or prior to such Redemption Date will be payable to the Holder of this Security, or one or more Predecessor Securities, of record at the close of business on the relevant Record Dates referred to on the face hereof, all as provided in the Indenture.] [Notwithstanding the foregoing, the Company may not, prior to, redeem any Securities of this series as contemplated by Clause [(2)] above as a part of, or in anticipation of, any refunding operation by the application, directly or indirectly, of moneys borrowed having an interest cost to the Company (calculated in accordance with generally accepted financial practice) of less than % per annum.]

[If applicable, insert The sinking fund for this series provides for the redemption on in each year, beginning with the year and ending with the year, of [not less than] [U.S.$][payment currency if not U.S.$] [("mandatory sinking fund") and not more than [U.S.$][payment currency if not U.S.$] aggregate principal amount of Securities of this series. [Securities of this series acquired or redeemed by the Company otherwise than through [mandatory] sinking fund payments may be credited against subsequent [mandatory] sinking fund payments otherwise required to be made[in the inverse order in which they become due.]]

[If applicable, insert--The Securities of this series are not redeemable prior to maturity.]

Notice of redemption will be given by mail to Holders of Securities, not less than 30 nor more than 60 days prior to the date fixed for redemption, all as provided in the Indenture.

In the event of redemption of this Security in part only, a new Security or Securities of this series and of like tenor, for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the cancellation hereof.

[If applicable, insert--The Indenture contains provisions for defeasance of (a) the entire indebtedness of this Security and (b) certain restrictive covenants upon compliance by the Company with certain conditions set forth therein.]

[If applicable, insert--If so specified on the face hereof, the interest rate on this Security may be reset by the Company on the date or dates specified on the face hereof (each an "Optional Reset Date"). Not later than days prior to each Optional Reset Date, the Trustee will mail to the Holder of this Security a notice (the "Reset Notice") first-class postage prepaid indicating whether the Company has elected to reset the interest rate, and if so (a) such new interest rate and (b) the provisions, if any, for redemption during the period from such Optional Reset Date to the next Optional Reset Date or if there is no such Optional Reset Date, to the Stated Maturity Date of this Security (each such period a "Subsequent Interest Period"),

including the date or dates on which or the period or periods during which and the price or prices at which such redemption may occur during the Subsequent Interest Period.

Notwithstanding the foregoing, not later than days prior to the Optional Reset Date, the Company may, at its option, revoke the interest rate provided for in the Reset Notice and establish a higher interest rate for the Subsequent Interest Period by causing the Trustee to mail notice of such higher interest rate to the Holder of this Security. Such notice shall be irrevocable. All Registered Securities with respect to which the interest rate is reset on an Optional Reset Date will bear such higher interest rate.

The Holder of this Security will have the option to elect repayment by the Company on each Optional Reset Date at a price equal to the principal amount hereof plus interest accrued to such Optional Reset Date. In order to obtain repayment on an Optional Reset Date, the Holder must follow the procedures set forth below for optional repayment except that the period for delivery or notification to the Trustee shall be at least but not more than days prior to such Optional Reset Date and except that, if the Holder has tendered this Security for repayment pursuant to the Reset Notice, the Holder may, by written notice to the Trustee, revoke such tender or repayment until the close of business on the day before such Optional Reset Date.]

[If applicable, insert--If so specified on the face hereof, the Maturity of this Security may be extended at the option of the Company for the period or period of whole years specified on the face hereof (each an "Extension Period") up to but not beyond the date (the "Final Maturity") set forth on the face hereof. If the Company exercises such option, the Trustee will mail to the Holder of this Security not later than days prior to the old Stated Maturity Date a notice (the "Extension Notice") first-class postage prepaid indicating (a) the election of the Company to extend the Maturity, (b) the new Stated Maturity Date, (c) the interest rate applicable to the Extension Period and (d) the provisions, if any, for redemption during such Extension Period. Upon the Trustee's mailing of the Extension Notice, the Maturity of this Security shall be extended automatically and, except as modified by the Extension Notice and as described in the next paragraph, this Security will have the same terms as prior to the mailing of such Notice.

Notwithstanding the foregoing, not later than days before the old Stated Maturity Date of this Security the Company may, at its option, revoke the interest rate provided for in the Extension Notice and establish a higher interest rate for the Extension Period by causing the Trustee to mail notice of such higher interest rate first-class postage prepaid to the Holder of this Security. Such notice shall be irrevocable. All Registered Securities with respect to which the Maturity is extended will bear such higher interest rate.

If the Company extends the Maturity of this Security, the Holder will have the option to elect repayment of this Security by the Company on the old Stated Maturity Date at a price equal to the principal amount hereof, plus interest accrued to such date. In order to obtain repayment on the old Stated Maturity Date once the Company has extended the Maturity hereof, the Holder must follow the procedures set forth below for optional repayment, except that the period for delivery or notification to the Trustee shall be at least but not more than days prior to the old Stated Maturity Date and except that, if the Holder has tendered this Security for repayment pursuant to an Extension Notice, the Holder may by written notice to the Trustee revoke such tender for repayment until the close of business on the day before the old Stated Maturity Date.]

[If applicable, insert--If so specified on the face hereof, this Security will be repayable prior to Maturity at the option of the Holder on the Optional Repayment Dates shown on the face hereof at the Optional Repayment Prices shown on the face hereof together with accrued interest to the date of repayment. In order for this Security to be repaid, the Trustee must receive at least but not more than days prior to an Optional Repayment Date (a) this Security with the form entitled "Option to Elect Repayment" duly completed or (b) a telegram, telex, facsimile transmission or letter from a member of a national securities exchange or the National Association of Securities Dealers, Inc. or a commercial bank or trust company in the United States of America setting forth the name of the Holder of this Security, the principal amount of the Security to be repaid, the certificate number or a description of the tenor and terms of this Security, a statement that the option to elect repayment is being exercised thereby and a guarantee that this Security with the form entitled "Option to Elect Repayment" duly completed will be received by the Trustee not later than Business Days after the date of such telegram, telex, facsimile transmission or letter. If the procedure described in clause (b) of the preceding sentence is followed, this Security with such form duly completed must be received by the Trustee by such Business Day. Any tender of this Security for repayment [(except pursuant to a Reset Notice or an Extension Notice)] shall be irrevocable. The repayment option may be exercised by the Holder of this Security for less than the entire principal amount of the Security provided that the principal amount of the Security remaining Outstanding after repayment is an authorized denomination. Upon such partial repayment this Security shall be canceled and a new Security or Securities for the remaining principal amount hereof shall be issued in the name of the Holder of this Security.]

If an Event of Default with respect to Securities of this series shall occur and be continuing, the principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of 66-2/3% in principal amount of the Securities at the time outstanding of each series to be affected. The Indenture also contains provisions permitting the Holders of specified percentages in principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer herefor or in exchange hereof or in lieu hereof, whether or not notation of such consent or waiver is made upon this security.

As set forth in, and subject to, the provisions of the Indenture, no Holder of any Security of this series will have any right to institute any proceeding with respect to the Indenture or for any remedy thereunder, unless an Event of Default with respect to this series shall have occurred and be continuing and such Holder shall have previously given to the Trustee written notice of such continuing Event of Default with respect to this series, the Holders of not less than 25% in principal amount of the Outstanding Securities of this series shall have made written request, and

offered reasonable indemnity, to the Trustee to institute such proceeding as trustee, and the Trustee shall not have received from the Holders of a majority in principal amount of the Outstanding Securities of this series a direction inconsistent with such request and shall have failed to institute such proceeding within 60 days after such notice, request and offer of indemnity; provided, however, that such limitations do not apply to a suit instituted by the Holder hereof for the enforcement of payment of the principal of [(and premium, if any)] or interest on this Security on or after the respective due dates expressed herein.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of [(and premium, if any)] and interest on this Security at the times, place[s] and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in [any place where the principal of [(and premium, if any)] and interest on this Security are payable] [the Borough of Manhattan, The City of New York, [Cincinnati, Ohio] or, subject to any laws or regulations applicable thereto and to the right of the Company (limited as provided in the Indenture) to rescind the designation of any such transfer agent, at the [main] offices of in and in or at such other offices or agencies as the Company may designate], duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities of this series and of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Securities of this series are issuable only in registered form, without coupons in denominations of [U.S.$][payment currency if not U.S.$] and any integral multiple thereof. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of the series and of like tenor of a different authorized denomination, as requested by the Holder surrendering the same.

[If applicable, insert--If this Security is a global Security (as specified on the face hereof), this Security is exchangeable only if (x) the Depositary notifies the Company that it is unwilling or unable to continue as Depositary for this global Security or if at any time the Depositary ceases to be a clearing agency registered under the Securities Exchange Act of 1934, as amended, or (y) the Company in its sole discretion determines that this Security shall be exchangeable for definitive Securities in registered form provided that the definitive Securities so issued in exchange for this permanent global Security shall be in denominations of [U.S.$][payment currency if not U.S.$] and any integral multiple of [$1,000] in excess thereof and be of like aggregate principal amount and tenor as the portion of this permanent global Security to be exchanged, and provided further that, unless the Company agrees otherwise, Securities of this series in definitive registered form will be issued in exchange for this permanent global Security, or any portion hereof, only if such Securities in definitive registered form were requested by written notice to the Trustee or the Security Registrar by or on behalf of a Person who is beneficial owner of an interest hereof given through the Holder hereof. Except

as provided above, owners of beneficial interests in this permanent global Security will not be entitled to receive physical delivery of Securities in definitive registered form and will not be considered the Holders thereof for any purpose under the Indenture.]

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security is overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice of the contrary.

This Security shall be governed by the internal laws (as opposed to conflicts of laws provisions) of the State of Ohio.

All terms used in this Security which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM-as tenants in common

TEN ENT--as tenants by the entireties

JT TEN--as joint tenants with right of survivorship and not as tenants in common

UNIF GIT MIN ACT Custodian

---------- ----------

(Cust) (Minor)

Under Uniform Gifts to Minors Act

(State)

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto

PLEASE INSERT SOCIAL SECURITY OR
OTHER IDENTIFYING NUMBER OF ASSIGNEE

PLEASE PRINT OR TYPE NAME AND ADDRESS INCLUDING POSTAL ZIP CODE OF
ASSIGNEE

---

the within Security and all rights thereunder, hereby irrevocably constituting and appointing _____ attorney to transfer said Security on the books of the Company, with full power of substitution in the premises.

Dated:

Signature

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE WITHIN INSTRUMENT IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATEVER.

EXHIBIT B

[FORM OF REGISTERED SECURITY WHICH IS AN ORIGINAL ISSUE DISCOUNT SECURITY]

[FORM OF FACE] FOR PURPOSES OF SECTIONS 1273 AND 1275 OF THE UNITED STATES INTERNAL REVENUE CODE, THE AMOUNT OF ORIGINAL ISSUE DISCOUNT ON THIS SECURITY IS % OF ITS PRINCIPAL AMOUNT, THE ISSUE DATE IS, [19][20],[AND] THE YIELD TO MATURITY IS% [THE METHOD USED TO DETERMINE THE YIELD IS AND THE AMOUNT OF ORIGINAL ISSUE DISCOUNT APPLICABLE TO THE SHORT ACCRUAL PERIOD OF, [19][20] TO [19][20],IS% OF THE PRINCIPAL AMOUNT OF THIS SECURITY].THE E.W. SCRIPPS COMPANY.

No. [R-][U.S.$][payment currency if not U.S.$] [If the registered owner of this Security (as indicated below) is The Depositary Trust Company (the "Depositary") or a nominee of the Depositary, insert--Unless this certificate is presented by an authorized representative of The Depositary Trust Company (55 Water Street, New York, New York) to the Company or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of CEDE & CO., or such other name as requested by an authorized representative of The Depositary Trust Company and any payment is made to CEDE & CO. or to such other entity as is requested by an authorized representative of The Depository Trust Company, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, CEDE & CO., has an interest herein.]

ISSUE PRICE:

INITIAL REDEMPTION DATE:

ORIGINAL ISSUE DATE:

TOTAL AMOUNT OF OID:

STATED MATURITY DATE:

YIELD TO MATURITY:

BASE RATE:

INITIAL ACCRUAL PERIOD OID:

INITIAL INTEREST RATE:

OPTION TO ELECT REPAYMENT: YES NO

INDEX MATURITY:

OPTIONAL REPAYMENT DATES:

SPREAD (PLUS OR MINUS):

OPTIONAL REPAYMENT PRICES:

SPREAD MULTIPLIER:

OPTIONAL RESET DATES:

MAXIMUM INTEREST RATE:

OPTIONAL EXTENSION: YES NO

MINIMUM INTEREST RATE:

FINAL MATURITY:

INTEREST RESET PERIOD:

DEPOSITARY:

INTEREST RESET DATES:

REPAYMENT PROVISIONS (If applicable):

INTEREST PAYMENT DATES:

OTHER PROVISIONS:

THE E.W. SCRIPPS COMPANY, a corporation duly organized and existing under the laws of Ohio (herein called "Company," which term includes any successor Person under the Indenture referred to on the reverse hereof), for value received, hereby promises to pay to , or registered assigns the principal sum of [United States Dollars] [specify other payment currency if not payable in United States Dollars] on [If the Security is interest-bearing, insert , and to pay interest thereon from _____, [20__] or from the most recent Interest Payment Date to which interest has been paid or duly provided for in arrears [If applicable, insert--; provided, however, that if this Security has a weekly Interest Rate Reset Period, as shown above, such interest will be paid from the Original Issue Date shown above or from the day following the most recent Regular Record Date to which interest has been paid or duly provided for in arrears]. Interest will be paid [semi-annually in arrears on and in each year] [annually in arrears on in each year] ([each]an "Interest Payment Date"), commencing _____, [20__] at the rate of _____% [or describe formula to calculate rate, e.g. commercial paper rate] per annum, until the principal hereof is paid or made available for payment. [If applicable, insert--, and (to the extent that the payment of such interest shall be legally enforceable) at the rate of _____% per annum on any overdue principal [and premium] and on any overdue installment of interest]. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be the

[or] (whether or not a Business Day) [, as the case may be,] next preceding such Interest Payment Date; provided, however, that interest payable at Maturity will be payable to the Person to whom principal shall be payable. The first payment of interest on any Security originally issued between a Regular Record Date and an Interest Payment Date will be made on the Interest Payment Date following the next succeeding Regular Record Date to the registered owner on such Regular Record Date. Except as otherwise provided in the Indenture, any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the Payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture]. [If the Security is not to bear interest prior to Maturity, insert The principal of this Security shall not bear interest except in the case of a default in payment of principal upon acceleration, upon redemption or at Stated Maturity Date, and in such case the overdue principal of this Security shall bear interest at the rate of % per annum (to the extent that the payment of such interest shall be legally enforceable), which shall accrue from the date of such default in payment to the date payment of such principal has been made or duly provided for. Interest on any overdue principal shall be payable on demand. Any such interest on any overdue principal that is not so paid on demand shall bear interest at the rate of % per annum (to the extent that the payment of such interest shall be legally enforceable), which shall accrue from the date such principal was due to the date payment of such interest has been made or duly provided for, and such interest shall also be payable on demand.] Payment of the principal of [(and premium, if any)] and [If applicable, insert any such] interest on this Security will be made at [the office or agency of the Company maintained for that purpose in, in such coin or currency of [the United States of America] [home country of payment currency if not United States Dollars]as at the time of payment is legal tender for payment of public and private debts] [the option of the Holder (a) at [the Corporate Trust Office of the Trustee] or such other office or agency of the Company as may be designated by it for such purpose in the Borough of Manhattan, The City of New York, or [Cincinnati, Ohio]], in such coin or currency of [the United States of America] [home country of payment currency if not United States Dollars] as at the time of payment shall be legal tender for the payment of public and private debts or (b) subject to any laws or regulations applicable thereto and to the right of the Company (limited as provided in the Indenture) to rescind the designation of any such Paying Agent, at the (main) offices of in, in, in, in and in, or at such other offices or agencies as the Company may designate, by [United States Dollar] [payment currency if not United States Dollars] check drawn on, or transfer to a [United States Dollar] [payment currency if not United States Dollars] account maintained by the payee with a bank in The City of New York or [ ]] [If applicable, insert--; provided, however, that at the option of the Company payment of interest may be made by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register] [or by wire transfer to an account maintained by such Person with a bank in [the continental United States] (so long as the Paying Agent has received proper transfer instructions in writing at least __ Business Days prior to the payment date)].

[If the registered owner of this Security is the Depositary or a nominee of the Depositary, insert--

THIS GLOBAL NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR OF THE DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR.]

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof, directly or through an Authenticating Agent, by manual signature of an authorized officer, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its corporate seal.

Dated: _____

THE E.W. SCRIPPS COMPANY

[SEAL]

By _____
Authorized Officer

ATTEST: _____

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated herein and referred to in the within-mentioned Indenture.

JPMorgan Chase Bank, as Trustee

By _____
Authorized Officer

or

JPMorgan Chase Bank, as Trustee

By _____, as
Authenticating Agent

By: _____
Authorized Officer

[FORM OF REVERSE] This Security is one of a duly authorized issue of securities of the Company (herein called the "Securities"), issued and to be issued in one or more series under an Indenture, dated as of _____, 2002 (herein called the "Indenture") among the Company and JPMorgan Chase Bank, as Trustee (herein called the "Trustee," which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof [, limited in aggregate principal amount to [U.S.$][payment currency if not U.S.$]].

[If applicable, insert--Calculation of the Spread and Spread Multiplier shall be done in accordance with the Indenture, as it may be amended or supplemented to the date hereof.]

[If applicable, insert--The Securities of this series are subject to redemption [(1) [If applicable, insert--on

in any year commencing with the year and ending with the year through operation of the sinking fund for this series at a Redemption Price equal to [Insert formula for determining the amount], [and] (2)] [If applicable, insert--at any time [on or after,], as a whole or in part, at the election of the Company, at the following Redemption Prices (expressed as percentages of the principal amount): If redeemed [on or before

,%, and if redeemed] during the 12-month period beginning of YEAR REDEMPTION PRICE and thereafter at a Redemption Price equal to% of the principal amount,] [If applicable, insert--[and ( )] under the circumstances described in the next [two] succeeding paragraph[s] at a Redemption Price equal to [Insert formula for determining the amount]] [If the Security is interest-bearing, insert , together in the case of any such redemption. [If applicable, insert(whether through operation of the sinking fund or otherwise)] with accrued interest to the Redemption Date; provided, however, that installments of interest on this Security whose Stated Maturity Date is on or prior to such Redemption Date will be payable to the Holder of this Security, or one or more Predecessor Securities, of record at the close of business on the relevant Record Dates referred to on the face hereof, all as provided in the Indenture.]

[If applicable, insert--The Securities of this series are subject to redemption (1) on in any year commencing with the year and ending with the year through operation of the sinking fund for this series at the Redemption Prices for redemption through operation of the sinking fund (expressed as percentages of the principal amount) set forth in the table below, and (2) at any time [on or after _____, 20__], as a whole or in part, at the election of the Company, at the Redemption Prices for redemption otherwise than through operation of the sinking fund (expressed as percentages of the principal amount) set forth in the table below: If redeemed during the 12-month period beginning of the years indicated,

YEAR	REDEMPTION PRICE	YEAR	REDEMPTION PRICE
- ----	----------	----	----------
- ----	----------	----	----------
- ----	----------	----	----------
- ----	----------	----	----------
- ----	----------	----	----------

REDEMPTION PRICE FOR REDEMPTION REDEMPTION PRICE FOR REDEMPTION OTHERWISE YEAR THROUGH OPERATION OF THE SINKING FUND THAN THROUGH OPERATION OF THE SINKING FUND

and thereafter at a Redemption Price equal to % of the principal amount. [If applicable, insert-- and (3) under the circumstances described in the next [two] succeeding paragraph[s] at a Redemption Price equal to [Insert formula for determining the amount]] [If the Security is interest-bearing, insert--, together in the case of any such redemption (whether through operation of the sinking fund or otherwise) with accrued interest to the Redemption Date; provided, however, the installments of interest on this Security whose Stated Maturity Date is on or prior to such Redemption Date will be payable to the Holder of this Security, or one or more Predecessor Securities, of record at the close of business on the relevant Record Dates referred to on the face hereof, all as provided in the Indenture.] [Notwithstanding the foregoing, the Company may not, prior to, redeem any Securities of this series as contemplated by Clause [(2)] above as a part of, or in anticipation of, any refunding operation by the application, directly or indirectly, of moneys borrowed having an interest cost to the Company (calculated in accordance with generally accepted financial practice) of less than %, per annum.]

[If applicable, insert--The sinking fund for this series provides for the redemption on in each year, beginning with the year and ending with the year , of [not less than] [U.S.$] [payment currency if not U.S.$][("mandatory sinking fund") and not more than [U.S.$][payment currency if not U.S.$] aggregate principal amount of Securities of this series.[Securities of this series acquired or redeemed by the Company otherwise than through [mandatory] sinking fund payments may be credited against subsequent[mandatory] sinking fund payments otherwise required to be made [in the inverse order in which they become due.]]

[If applicable, insert--The Securities of this series are not redeemable prior to maturity.]

Notice of redemption will be given by mail to Holders of Securities, not less than 30 nor more than 60 days prior to the date fixed for redemption, all as provided in the Indenture.

In the event of redemption of this Security in part only, a new Security or Securities of this series and of like tenor for the unredeemed portion hereof, will be issued in the name of the Holder hereof upon the cancellation hereof.

[If applicable, insert--The Indenture contains provisions for defeasance of (a) the entire indebtedness of this Security and (b) certain restrictive covenants upon compliance by the Company with certain conditions set forth therein.]

[If applicable, insert--If so specified on the face hereof, the interest rate on this Security may be reset by the Company on the date or dates specified on the face hereof (each an "Optional Reset Date"). Not later than days prior to each Optional Reset Date, the Trustee will mail to the Holder of this Security a notice (the "Reset Notice") first-class postage prepaid indicating whether the Company has elected to reset the interest rate, and if so (a) such new

interest rate and (b) the provisions, if any, for redemption during the period from such Optional Reset Date to the Optional Reset Date or if there is no such Optional Reset Date, to the Stated Maturity Date of this Security (each such period a "Subsequent Interest Period"), including the date or dates on which or the period or periods during which and the price or prices at which such redemption may occur during the Subsequent Interest Period.

Notwithstanding the foregoing, not later than days prior to the Optional Reset Date, the Company may, at its option, revoke the interest rate provided for in the Reset Notice and establish a higher interest rate for the Subsequent Interest Period by causing the Trustee to mail notice of such higher interest rate to the Holder of this Security. Such notice shall be irrevocable. All registered Securities with respect to which the interest rate is reset on an Optional Reset Date will bear such higher interest rate.

The Holder of this Security will have the option to elect repayment by the Company on each Optional Reset Date at a price equal to the principal amount hereof plus interest accrued to such Optional Reset Date. In order to obtain repayment on an Optional Reset Date, the Holder must follow the procedures set forth below for optional repayment except that the period for delivery or notification to the Trustee shall be at least but not more than days prior to such Optional Reset Date and except that, if the Holder has tendered this Security for repayment pursuant to the Reset Notice, the Holder may, by written notice to the Trustee, revoke such tender or repayment until the close of business on the day before such Optional Reset Date.]

[If applicable, insert--If so specified on the face hereof, the Maturity of this Security may be extended at the option of the Company for the period or period of whole years specified on the face hereof (each an "Extension Period") up to but not beyond the date (the "Final Maturity") set forth on the face hereof. If the Company exercises such option, the Trustee will mail to the Holder of this Security not later than days prior to the old Stated Maturity Date a notice (the "Extension Notice") first-class postage prepaid indicating (a) the election of the Company to extend the Maturity, (b) the new Stated Maturity Date, (c) the interest rate applicable to the Extension Period and (d) the provisions, if any, for redemption during such Extension Period. Upon the Trustee's mailing of the Extension Notice, the Maturity of this Security shall be extended automatically and, except as modified by the Extension Notice and as described in the next paragraph, this Security will have the same terms as prior to the mailing of such Notice.

Notwithstanding the foregoing, not later than days before the old Stated Maturity Date of this Security the Company may, at its option, revoke the interest rate provided for in the Extension Notice and establish a higher interest rate for the Extension Period by causing the Trustee to mail notice of such higher interest rate first-class postage prepaid to the Holder of this Security. Such notice shall be irrevocable. All Registered Securities with respect to which the Maturity is extended will bear such higher interest rate.

If the Company extends the Maturity of this Security, the Holder will have the option to elect repayment of this Security by the Company on the old Stated Maturity Date at a price equal to the principal amount hereof, plus interest accrued to such date. In order to obtain repayment on the old Stated Maturity Date once the Company has extended the Maturity hereof, the Holder must follow the procedures set forth below for optional repayment except that the period for delivery or notification to the Trustee shall be at least but not more than days prior to the old

Stated Maturity Date and except that, if the Holder has tendered this Note for repayment pursuant to an Extension Notice, the Holder may by written notice to the Trustee revoke such tender for repayment until the close of business on the day before the old Stated Maturity Date.]

[If applicable, insert--If so specified on the face hereof, this Security will be repayable prior to Maturity at the option of the Holder on the Optional Repayment Dates shown on the face hereof at the Optional Repayment Prices shown on the face hereof together with accrued interest to the date of repayment. In order for this Security to be repaid, the Trustee must receive at least but not more than days prior to an Optional Payment Date (a) this Security with the form entitled "Option to Elect Repayment" duly completed or (b) a telegram, telex, facsimile transmission or letter from a member of a national securities exchange or the National Association of Securities Dealers, Inc. or a commercial bank or trust company in the United States of America setting forth the name of the Holder of this Security, the principal amount of the Security to be repaid, the certificate number or a description of the tenor and terms of this Security, a statement that the option to elect repayment is being exercised thereby and a guarantee that this Security with the form entitled "Option to Elect Repayment" duly completed will be received by the Trustee not later than Business Days after the date of such telegram, telex, facsimile transmission or letter. If the procedure described in clause (b) of the preceding sentence is followed, this Security with such form duly completed must be received by the Trustee by such Business Day. Any tender of this Security for repayment [(except pursuant to a Reset Notice or an Extension Notice)] shall be irrevocable. The repayment option may be exercised by the Holder of this Security for less than the entire principal amount of the Security provided that the principal amount of the Security remaining Outstanding after repayment is an authorized denomination. Upon such partial repayment this Security shall be canceled and a new Security or Securities for the remaining principal amount hereof shall be issued in the name of the Holder of this Security.]

If an Event of Default with respect to Securities of this series shall occur and be continuing, an amount of principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture. Such amount shall be equal to [insert formula for determining the amount.] Upon payment (a) of the amount of principal so declared due and payable and (b) of interest on any overdue principal and overdue interest (in each case to the extent that the payment of such interest shall be legally enforceable), all of the Company's obligations in respect of the payment of the principal of and interest, if any, on the Securities of this series shall terminate. The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of 66-2/3% in principal amount of the Securities at the time Outstanding of each series to be affected.

The Indenture also contains provisions permitting the Holders of specified percentages in principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange here for or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

As set forth in, and subject to, the provisions of the Indenture, no Holder of any Security of this series will have any right to institute any proceeding with respect to the Indenture or for any remedy thereunder, unless an Event of Default with respect to this series shall have occurred and be continuing and such Holder shall have previously given to the Trustee written notice of such continuing Event of Default with respect to this series, the Holders of not less than 25% in principal amount of the Outstanding Securities of this series shall have made written request, and offered reasonable indemnity, to the Trustee to institute such proceeding as trustee, and the Trustee shall not have received from the Holders of a majority in principal amount of the Outstanding Securities of this series a direction inconsistent with such request and shall have failed to institute such proceeding within 60 days after such notice, request and offer of indemnity; provided, however, that such limitations do not apply to a suit instituted by the Holder hereof for the enforcement of payment of the principal of [(and premium, if any)] or [any] interest on this Security on or after the respective due dates expressed herein.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of [(and premium, if any)] and [any] interest on this Security at the times, place[s] and rate, and in the coin or currency, herein described.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in [any place where the principal of [(and premium, if any)] and [any] interest on this Security are payable][the Borough of Manhattan, The City of New York, [Cincinnati, Ohio], or subject to any laws or regulations applicable thereto and to the right of the Company (limited as provided in the Indenture) to rescind the designation of any such transfer agent, at the [main] offices of in and in or at such other offices or agencies as the Company may designate], duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company, the Guarantor and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities of this series and of like tenor, of authorized denominations and for the same aggregate principal amount, with duly executed Guarantees endorsed thereon, will be issued to the designated transferee or transferees.

The Securities of this series are issuable only in registered form, without coupons, in denominations of [U.S.$] [payment currency if not U.S.$]and any integral multiple thereof. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series and of like tenor of a different authorized denomination, as requested by the Holder surrendering the same.

[Insert, if applicable--If this Security is a global Security (as specified on the face hereof), this Security is exchangeable only if (x) the Depositary notifies the Company that it is unwilling or unable to continue as Depositary for this global Security or if at any time the Depositary ceases to be a clearing agency registered under the Securities Exchange Act of 1934, as amended or, (y) the Company in its sole discretion determines that this Security shall be exchangeable for definitive Securities in registered form, provided that the definitive Securities so issued in exchange for this permanent global Security shall be in denominations of [U.S.$][payment

currency if not U.S.$]and any integral multiple of [$1,000] in excess thereof and be of like aggregate principal amount and tenor as the portion of this permanent global Security to be exchanged, and provided further that, unless the Company agrees otherwise, Securities of this series in definitive registered form will be issued in exchange for this permanent global Security, or any portion hereof, only if such Securities in definitive registered form were requested by written notice to the Trustee or the Security Registrar by or on behalf of a Person who is beneficial owner of an interest hereof given through the Holder hereof. Except as provided above, owners of beneficial interests in this permanent global Security will not be entitled to receive physical delivery of Securities in definitive registered form and will not be considered the Holders thereof for any purpose under the Indenture.]

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company, the Guarantor or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security is overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

This Security shall be governed by the internal laws (as opposed to conflicts of laws provisions) of the State of Ohio.

All terms used in this Security which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM--as tenants in common

TEN ENT--as tenants by the entireties

JT TEN--as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT--Custodian (Cust)(Minor) Under Uniform Gifts to Minors Act (State) Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE PLEASE PRINT OR TYPE NAME AND ADDRESS INCLUDING POSTAL ZIP CODE OF ASSIGNEE the within Security and all rights thereunder, hereby irrevocably constituting and appointing _____ attorney to transfer said Security on the books of the Company, with full power of substitution in the premises.

Dated:

Signature

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE WITHIN INSTRUMENT IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATEVER.

EXHIBIT C
[FORMS OF CERTIFICATION]

EXHIBIT C1

[FORM OF CERTIFICATE TO BE GIVEN BY BENEFICIAL OWNER OF BEARER SECURITY] CERTIFICATE

[Insert title or sufficient description of Securities to be delivered]

This is to certify that as of the date hereof and except as set forth below [U.S.$] [payment currency if not U.S.$] principal amount of the above-captioned Securities held by you for our account (i) is owned by person(s) that are not United States person(s) (as defined below), (ii) is owned by United States person(s) that are (a) foreign branches of United States financial institutions (as defined in Section 1.165-12(c)(1)(v) of the United States Treasury regulations) ("financial institutions") purchasing for their own account or for resale, or (b) United States person(s) who acquired the Securities through foreign branches of United States financial institutions and who hold the Securities through such United States financial institutions on the date hereof (and in either case (a) or (b), each such United States financial institution hereby agrees, on its own behalf or through its agent, that you may advise the Issuer or the Issuer's agent that it will comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the United States Internal Revenue Code of 1986, as amended, and the Treasury regulations thereunder), or (iii) is owned by United States or foreign financial institution(s) for the purpose of resale during the restricted period (as defined in Section 1.163-5(c)(2)(i)(D)(7) of the United States Treasury regulations), and in addition if the owner of the Securities is a United States or foreign financial institution described in clause (iii) above (whether or not also described in clause (i) or (ii)) this is to further certify that such financial institution has not acquired the Securities for the purpose of resale directly or indirectly to a United States person or to a person within the United States or its possessions.

We undertake to advise you promptly by tested telex on or prior to the date on which you intend to submit your certification relating to the beneficial interest in the temporary global Security held by you for our account in accordance with your operating procedures if any applicable statement herein is not correct on such date, and in the absence of any such notification it may be assumed that this certification applies as of such date.

This certificate excepts and does not relate to [U.S.$][payment currency if not U.S.$] principal amount of Securities held by you for our account as to which we are not able to provide a certificate in this form. We understand that exchange of such portion of the temporary global Security for definitive Bearer Securities or interests in a permanent global Security and that payments, if any, due prior to the Exchange Date with respect to such portion of the temporary global Security cannot be made until we are able to provide a certificate in this form.

We understand that this certificate is required in connection with certain tax laws and regulations of the United States. If administrative or legal proceedings are commenced or threatened in connection with which this certificate is or would be relevant, we irrevocably authorize you to produce this certificate or a copy thereof to any interested party in such proceedings.

"United States person" means (i) a citizen or resident of the United States, (ii) a corporation or partnership created or organized in or under the laws of the United States or any political subdivision thereof, (iii) an estate the income of which is subject to United States federal income taxation regardless of its source or (iv) a trust which is subject to the supervision of a court within the United States and the control of a United States fiduciary as described in section 7701(a)(30) of the Code. "United States" means the United States of America (including the states and the District of Columbia) and its "possessions" which include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands.

Dated: _____ ,[20___] [To be dated no earlier than the 15th day before the Exchange Date or Interest Payment Date, as the case may be]

By:

Authorized Officer

By:

As, or as agent for, the beneficial owner(s) of the portion of the temporary global Securities to which the certificate relates

EXHIBIT C2

[FORM OF CERTIFICATE TO BE GIVEN BY EURO-CLEAR AND CLEARSTREAM] CERTIFICATE -

[INSERT TITLE OR SUFFICIENT DESCRIPTION OF SECURITIES TO BE DELIVERED]

The undersigned certifies that, based solely on certifications we have received in writing, by tested telex or by electronic transmission from member organizations appearing in our records as persons being entitled to a portion of the principal amount set forth below (our "Member Organizations") substantially to the effect set forth in the Indenture as of the date hereof, [U.S.$][payment currency if not U.S.$] principal amount of the above-captioned Securities (i) is owned by persons(s) that are not United States person(s) (as defined below), (ii) is owned by United States person(s) that are (a) foreign branches of United States financial institutions (as defined in Section 1.165-12(c)(1)(v) of the United States Treasury regulations) ("financial institutions") purchasing for their own account or for resale, or (b) United States person(s) who acquired the Securities through foreign branches of United States financial institutions and who hold the Securities through such United States financial institutions on the date hereof (and in either case (a) or (b), each such United States financial institution has agreed, on its own behalf or through its agent, that we may advise the Issuer or the Issuer's agent that it will comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the United States Internal Revenue Code of 1986, as amended, and the Treasury regulations thereunder), or (iii) is owned by United States or foreign financial institution(s) for the purpose of resale during the restricted period (as defined in Section 1.163-5(c)(2)(i)(D)(7) of the United States Treasury regulations), and in addition United States or foreign financial institutions described in clause (iii) above (whether or not also described in clause (i) or (ii)) have certified that they have not acquired the Securities for the purpose of resale directly or indirectly to a United States person or to a person within the United States or it possessions.

We further certify (i) that we are not making available for exchange or collection of any interest any portion of the temporary Global Security excepted in such certifications and (ii) that as of the date hereof we have not received any notification from any of our Member Organizations to the effect that the statements made by such Member Organizations with respect to any portion of the part submitted herewith for exchange or collection of any interest are no longer true and cannot be relied upon as of the date hereof.

We understand that this certificate is required in connection with certain tax laws and regulations of the United States. If administrative or legal proceedings are commenced or threatened in connection with which this certificate is or would be relevant, we irrevocably authorize you to produce this certificate or a copy thereof to any interested party in such proceedings. "United States person" means (i) a citizen or resident of the United States, (ii) a corporation or partnership created or organized in or under the laws of the United States or any political subdivision thereof, (iii) an estate the income of which is subject to United States federal income taxation regardless of its source or (iv) a trust which is subject to the supervision of a court within the United States and the control of a United States fiduciary as described in section 7701(a)(30) of the Code. "United States" means the United States of America (including

the states and the District of Columbia) and its "possessions" which include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands.

Dated: _____, [20__]

[To be dated no earlier than the Exchange Date in the case of exchanges or on or after the relevant Interest Payment Date in the case of interest payments]

EURO-CLEAR SYSTEM

By: EUROCLEAR BANK, S.A./N.V.

By:

Authorized Officer

CLEARSTREAM BANKING SOCIETE ANONYME

By:

Authorized Officer

EXHIBIT D
[FORM OF COUPON]

[INSERT TITLE OR SUFFICIENT DESCRIPTION OF SECURITIES TO BE DELIVERED]

No._____

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

THE E.W. SCRIPPS COMPANY

[If the Security to which this coupon relates is a fixed rate Security, insert the following:

This is a coupon for [ ] due on [ ].]

[If the Security to which this coupon relates is a floating rate Security, insert the following: This is a coupon for the amount due on the Interest Payment Date falling on [ ].]

This coupon is payable to bearer (subject to the terms and conditions of the Security to which this coupon appertains, which shall be binding upon the bearer of this coupon whether or not it is for the time being attached to such Security) at the specified offices outside the United States of the Trustee and each Paying Agent set out on the reverse hereof (or any other Trustee or Paying Agent or specified office outside the United States duly appointed or nominated and notified to the Holders of Securities of the Series of which the Security to which this coupon appertains is a part).

[If the Security to which this coupon relates may, by its terms, be repaid prior to maturity, insert the following: If the Security to which this coupon appertains shall have become due and payable before the maturity date of this coupon, this coupon shall become void and no payment shall be made in respect thereof.]

THE E.W. SCRIPPS COMPANY

By:

Authorized Officer

[Reverse of Coupon]

[Insert names and addresses of Paying Agents]

and/or such other or further agents and/or specified offices outside of the United States as may from time to time be duly appointed or nominated and notified to Holders of Securities of the Series of which the Security to which this coupon appertains is a part.

Exhibit 5

[BAKER & HOSTETLER, LLP-LETTERHEAD]

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October 7, 2002

The E.W. Scripps Company
312 Walnut Street, Suite 2800
Cincinnati, Ohio 45202

Re: Registration Statement on Form S-3 with respect to $500,000,000 aggregate principal amount of Debt Securities of The E.W. Scripps Company

Dear Sirs:

We have acted as counsel to The E.W. Scripps Company, an Ohio corporation (the "Company"), in connection with its Registration Statement on Form S-3 (the "Registration Statement"), filed under the Securities Act of 1933 (the "Act"), relating to the proposed public offering of up to $500,000,000 aggregate principal amount of the Company's Debt Securities (the "Debt Securities") to be issued from time to time under an Indenture between the Company and the Trustee named on the Form T-1 included as an exhibit to the Registration Statement (the "Indenture").

We have examined originals, or copies certified or otherwise identified to our satisfaction, of such documents as we have deemed necessary for the purposes of this opinion including, without limitation, the Articles of Incorporation and Code of Regulations of the Company and the forms of Debt Securities and Indenture filed as exhibits to the Registration Statement.

Based on the foregoing, we are of the opinion that:

When (a) the Indenture shall have been duly executed and delivered in substantially the form filed with the Registration Statement, (b) the Debt Securities shall have been duly executed and authenticated in accordance with the terms of the Indenture, (c) the Registration Statement shall have become effective under the Act, (d) the Indenture shall have been qualified under the Trust Indenture Act of 1939 and (e) the Debt Securities shall have been issued and sold as described in the Registration Statement and in a related prospectus supplement, the Debt Securities will be duly authorized and valid and binding obligations of the Company, except as may be limited by bankruptcy, insolvency, reorganization or other laws relating to the enforcement of creditors' rights generally or by general principles of equity.

We hereby consent to the use of this opinion as an exhibit to the Registration Statement and to the reference to our firm under "Legal Matters" in the prospectus comprising a part of the Registration Statement.

Very truly yours,

/s/ Baker & Hostetler LLP
Baker & Hostetler LLP

BH/jk

Exhibit 10.1

EXECUTION COPY

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364-DAY COMPETITIVE ADVANCE AND
REVOLVING CREDIT FACILITY AGREEMENT

Dated as of August 8, 2002

Among

THE E.W. SCRIPPS COMPANY,

as Borrower,

THE BANKS NAMED HEREIN,

JPMORGAN CHASE BANK,

as Administrative Agent,

J.P. MORGAN SECURITIES INC.,

as Sole Advisor, Lead Arranger and
Sole Bookrunner, and

WACHOVIA BANK, N.A., US BANK N.A., MELLON BANK, N.A.,
KEYBANK NATIONAL ASSOCIATION and SUNTRUST BANK,

as Co-Syndication Agents

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364-DAY COMPETITIVE ADVANCE AND REVOLVING CREDIT FACILITY AGREEMENT dated as of August 8, 2002, among THE E.W. SCRIPPS COMPANY, an Ohio corporation (the "Borrower"), the banks listed in Schedule 2.01 (the "Banks"), JPMORGAN CHASE BANK, a New York banking corporation, as agent for the Banks (in such capacity, the "Agent").

The Borrower has requested the Banks to extend credit to the Borrower in order to enable it to borrow on a standby revolving credit basis on and after the date hereof and at any time and from time to time prior to the Availability Termination Date (as herein defined) a principal amount not in excess of $400,000,000 at any time outstanding. The Borrower has also requested the Banks to provide a procedure pursuant to which the Borrower may invite the Banks to bid on an uncommitted basis on short-term borrowings by the Borrower. The proceeds of such borrowings are to be used for general corporate purposes. The Banks are willing to extend such credit to the Borrower on the terms and subject to the conditions herein set forth.

Accordingly, the Borrower, the Banks and the Agent agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. DEFINED TERMS. As used in this Agreement, the following terms shall have the meanings specified below:

"ABR Borrowing" shall mean a Borrowing comprised of ABR Loans.

"ABR Loan" shall mean any Standby Loan bearing interest at a rate determined by reference to the Alternate Base Rate in accordance with the provisions of Article II.

"Administrative Fees" shall have the meaning assigned to such term in Section 2.06(b).

"Administrative Questionnaire" shall mean an Administrative Questionnaire in the form of Exhibit B hereto.

"Affiliate" shall mean, when used with respect to a specified person, another person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the person specified.

"Aggregate Commitments": at any time, the sum of the aggregate amount of the Commitments then in effect and the aggregate amount of the Commitments (as defined in the Other Agreement) then in effect.

"Alternate Base Rate" shall mean, for any day, a rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to the greatest of (a)the Prime Rate in effect on such day, (b) the Base CD Rate in effect on such day plus 1% and (c)the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%. For purposes hereof, "Prime Rate" shall mean the rate of interest per annum publicly announced from time to time by the Agent as its

prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective on the date such change is publicly announced as effective. "Base CD Rate" shall mean the sum of (a)the product of (i)the Three-Month Secondary CD Rate and (ii)Statutory Reserves and (b)the Assessment Rate. "Three-Month Secondary CD Rate" shall mean, for any day, the secondary market rate for three-month certificates of deposit reported as being in effect on such day (or, if such day shall not be a Business Day, the next preceding Business Day) by the Board through the public information telephone line of the Federal Reserve Bank of New York (which rate will, under the current practices of the Board, be published in Federal Reserve Statistical Release H.15(519) during the week following such day), or, if such rate shall not be so reported on such day or such next preceding Business Day, the average of the secondary market quotations for three-month certificates of deposit of major money center banks in New York City received at approximately 10:00 a.m., New York City time, on such day (or, if such day shall not be a Business Day, on the next preceding Business Day) by the Agent from three New York City negotiable certificate of deposit dealers of recognized standing selected by it. "Federal Funds Effective Rate" shall mean, for any day, the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of new York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for the day of such transactions received by the Agent from three Federal funds brokers of recognized standing selected by it. If for any reason the Agent shall have determined (which determination shall be conclusive absent manifest error) that it is unable to ascertain the Base CD Rate or the Federal Funds Effective Rate or both for any reason, including the inability or failure of the Agent to obtain sufficient quotations in accordance with the terms thereof, the Alternate Base Rate shall be determined without regard to clause(b) or (c), or both, of the first sentence of this definition, as appropriate, until the circumstances giving rise to such inability no longer exist. Any change in the Alternate Base Rate due to a change in the Prime Rate, the Three-Month Secondary CD Rate or the Federal Funds Effective Rate shall be effective on the effective date of such change in the Prime Rate, the Three-Month Secondary CD Rate or the Federal Funds Effective Rate, respectively.

"Applicable Percentage" shall mean on any date, with respect to the Facility Fee or the Loans comprising any Eurodollar Standby Borrowing, the applicable percentage set forth below based upon the ratings applicable on such date to the Borrower's implied or actual senior, unsecured, non-credit-enhanced long-term indebtedness for borrowed money (the "Index Debt"):

	Ratings (S&P/Moody's)	Facility A Facility Fee	Facility A LIBOR Spread
Category 1	A+/A1 or higher	0.0600%	0.1650%
Category 2	A/A2	0.0600%	0.1900%
Category 3	A-/A3	0.0600%	0.2400%
Category 4	BBB+/Baa1	0.0600%	0.4400%
Category 5	BBB/Baa2	0.0600%	0.5650%
Category 6	BBB-/Baa3 or lower	0.0600%	0.6900%

PROVIDED, HOWEVER, that after the Availability Termination Date the LIBOR Spread shall be increased by 0.15 of 1% (15 basis points).

For purposes of the foregoing, (a)if no rating for the Index Debt shall be available from either Moody's or S&P (other than by reason of the circumstances referred to in the last sentence of this definition), each such rating agency shall be deemed to have established a rating in Category 4; (b)if only one of Moody's and S&P shall have in effect a rating for the Index Debt, the Applicable Percentage shall be determined by reference to the available rating; (c)if the ratings established or deemed to have been established by Moody's and S&P shall fall within different categories, the Applicable Percentage shall be based upon the superior (or numerically lower) category unless the ratings differ by more than one category, in which case the governing rating shall be the rating next below the higher of the two; and (d)if any rating established or deemed to have been established by Moody's or S&P shall be changed (other than as a result of a change in the rating system of either Moody's or S&P), such change shall be effective as of the date on which such change is first announced publicly by the rating agency making such change. Any change in the LIBOR spread due to a change in the applicable category shall be effective on the effective date of such change in the applicable category and shall apply to all Eurodollar Standby Loans that are outstanding at any time during the period commencing on the effective date of such change in the applicable category and ending on the date immediately preceding the effective date of the next such change in the applicable category. If the rating system of either Moody's or S&P shall change, the Borrower and the Banks shall negotiate in good faith to amend the references to specific ratings in this definition to reflect such changed rating system. If either Moody's or S&P shall cease to be in the business of rating corporate debt obligations, the Borrower and the Banks shall negotiate in good faith to agree upon a substitute rating agency and to amend the references to specific ratings in this definition to reflect the ratings used by such substitute rating agency and, pending such agreement, the Applicable Percentage shall be determined on the basis of the ratings provided by the other rating agency.

"Assessment Rate" shall mean for any date the annual rate (rounded upwards if necessary, to the next 1/100 of 1%) most recently estimated by the Agent as the then current net annual assessment rate that will be employed in determining amounts payable by the Agent to the Federal Deposit Insurance Corporation (or such successor) of time deposits made in dollars at the Agent's domestic offices.

"Assignment and Acceptance" shall mean an assignment and acceptance entered into by a Bank and an assignee, and accepted by the Agent, in the form of Exhibit C.

"Availability Termination Date" shall mean August 7, 2003.

"Board" shall mean the Board of Governors of the Federal Reserve System of the United States.

"Borrowing" shall mean a group of Loans of a single Type made by the Banks (or, in the case of a Competitive Borrowing, by the Bank or Banks whose Competitive Bids have been accepted pursuant to Section 2.03) on a single date and as to which a single Interest Period is in effect.

"Business Day" shall mean any day (other than a day which is a Saturday, Sunday or legal holiday in the State of New York) on which banks are open for business in New York City; provided, however, that, when used in connection with a Eurodollar Loan, the term "Business Day" shall also exclude any day on which banks are not open for dealings in dollar deposits in the London interbank market.

"Capital Lease Obligations" of any person shall mean the obligations of such person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such person under GAAP and, for the purposes of this Agreement, the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with GAAP.

A "Change in Control" shall be deemed to have occurred if the Trust or the beneficiaries thereof shall not be the direct or indirect owner, beneficially and of record, of at least 51% of the issued and outstanding Common Voting Shares, $.01 par value per share, of the Borrower and any other common stock at any time issued by the Borrower, other than the Borrower's Class A Common Shares, $.01 per share.

"Closing Date" shall mean August 8, 2002.

"Code" shall mean the Internal Revenue Code of 1986, as the same may be amended from time to time.

"Commitment" shall mean, with respect to each Bank, the commitment of such Bank hereunder as set forth in Schedule 2.01 hereto, as such Bank's Commitment may be permanently terminated or reduced from time to time pursuant to Section 2.11. The Commitments shall automatically and permanently terminate on the Availability Termination Date.

"Competitive Bid" shall mean an offer by a Bank to make a Competitive Loan pursuant to Section 2.03.

"Competitive Bid Accept/Reject Letter" shall mean a notification made by the Borrower pursuant to Section 2.03(d) in the form of Exhibit A-4.

"Competitive Bid Rate" shall mean, as to any Competitive Bid made by a Bank pursuant to Section 2.03(b), (i)in the case of a Eurodollar Loan, the Margin, and (ii)in the case of a Fixed Rate Loan, the fixed rate of interest offered by the Bank making such Competitive Bid.

"Competitive Bid Request" shall mean a request made pursuant to Section 2.03 in the form of Exhibit A-1.

"Competitive Borrowing" shall mean a borrowing consisting of a Competitive Loan or concurrent Competitive Loans from the Bank or Banks whose Competitive Bids for such Borrowing have been accepted by the Borrower under the bidding procedure described in Section 2.03.

"Competitive Loan" shall mean a Loan from a Bank to the Borrower pursuant to the bidding procedure described in Section 2.03. Each Competitive Loan shall be a Eurodollar Competitive Loan or a Fixed Rate Loan.

"Consolidated Cash Flow" shall mean with respect to any person for any period the aggregate operating income of such person and its consolidated subsidiaries plus any depreciation and any amortization of intangibles arising from acquisitions that have been deduced in deriving such operating income, all computed and consolidated in accordance with GAAP.

"Consolidated Indebtedness" with respect to any person shall mean the aggregate Indebtedness of such person and its consolidated subsidiaries, consolidated in accordance with GAAP.

"Consolidated Interest Expense" with respect to any person shall mean for any period the aggregate interest expense of such person and its consolidated subsidiaries for such period, computed and consolidated in accordance with GAAP.

"Consolidated Net Income" with respect to any person shall mean for any period the aggregate net income (or net deficit) of such person and its consolidated subsidiaries for such period equal to gross revenues and other proper income less the aggregate for such person and its consolidated subsidiaries of (i) operating expenses, (ii) selling, administrative and general expenses, (iii) taxes, (iv) depreciation, depletion and amortization of properties and (v) any other items that are treated as expenses under GAAP but excluding from the definition of Consolidated Net Income any extraordinary gains or losses, all computed and consolidated in accordance with GAAP.

"Consolidated Stockholders' Equity" with respect to any person shall mean the aggregate Stockholders' Equity of such person and its consolidated subsidiaries, consolidated in accordance with GAAP.

"Control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person, whether through the ownership of voting securities, by contract or otherwise, and "Controlling" and "Controlled" shall have meanings correlative thereto.

"Default" shall mean any event or condition which upon notice, lapse of time or both would constitute an Event of Default.

"dollars" or "$" shall mean lawful money of the United States of America.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as the same may be amended from time to time.

"ERISA Affiliate" shall mean any trade or business (whether or not incorporated) that is a member of a group of which the Borrower is a member and which is treated as a single employer under Section 414 of the Code.

"Eurodollar Borrowing" shall mean a Borrowing comprised of Eurodollar Loans.

"Eurodollar Competitive Loan" shall mean any Competitive Loan bearing interest at a rate determined by reference to the LIBO Rate in accordance with the provisions of Article II.

"Eurodollar Loan" shall mean any Eurodollar Competitive Loan or Eurodollar Standby Loan.

"Eurodollar Standby Borrowing" shall mean a Borrowing comprised of Eurodollar Standby Loans.

"Eurodollar Standby Loan" shall mean any Standby Loan bearing interest at a rate determined by reference to the LIBO Rate in accordance with the provisions of Article II.

"Event of Default" shall have the meaning assigned to such term in Article VII.

"Existing Credit Agreement" shall mean the 364-Day Competitive Advance and Revolving Credit Facility Agreement dated as of September 26, 1997, as amended, among the Borrower, the banks named therein and JPMorgan Chase Bank, successor by merger to the Chase Manhattan Bank, as agent.

"Facility Fee" shall have the meaning assigned to such term in Section 2.06(a).

"Fee Letter" shall mean the letter agreement dated July 2, 2002, between the Borrower and the Agent, providing for the payment of certain fees or other amounts in connection with the credit facilities established by this Agreement.

"Fees" shall mean the Facility Fee and the Administrative Fees.

"Financial Officer" of any corporation shall mean the chief financial officer, principal accounting officer, Treasurer, Assistant Treasurer or Controller of such corporation.

"Fixed Rate Borrowing" shall mean a Borrowing comprised of Fixed Rate Loans.

"Fixed Rate Loan" shall mean any Competitive Loan bearing interest at a fixed percentage rate per annum (expressed in the form of a decimal to no more than four decimal places) specified by the Bank making such Loan in its Competitive Bid.

"GAAP" shall mean generally accepted accounting principles, applied on a consistent basis.

"Governmental Authority" shall mean any Federal, state, local or foreign court or governmental agency, authority, instrumentality or regulatory body.

"Guarantee" of or by any person shall mean any obligation, contingent or otherwise, of such person guaranteeing or having the economic effect of guaranteeing any Indebtedness of any other person (the "primary obligor") in any manner, whether directly or

indirectly, and including any obligation of such person, direct or indirect, (a)to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or to purchase (or to advance or supply funds for the purchase of) any security for the payment of such Indebtedness, (b)to purchase property, securities or services for the purpose of assuring the owner of such Indebtedness of the payment of such Indebtedness or (c)to maintain working capital, equity capital or other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness; provided, however, that the term Guarantee shall not include endorsements for collection or deposit, in either case in the ordinary course of business.

"Indebtedness" of any person shall mean, without duplication, (a)all obligations of such person for borrowed money or with respect to deposits or advances of any kind, (b)all obligations of such person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such person under conditional sale or other title retention agreements relating to property or assets purchased by such person, (d)all obligations of such person issued or assumed as the deferred purchase price of property or services, (e)all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such person, whether or not the obligations secured thereby have been assumed, (f)all Guarantees by such person of Indebtedness of others, (g)all Capital Lease Obligations of such person, (h)all obligations of such person in respect of interest rate protection agreements, foreign currency exchange agreements or other interest or exchange rate hedging arrangements, in such amount which exceeds $15,000,000 at any time and (i)all obligations of such person as an account party in respect of letters of credit and bankers' acceptances; provided that the definition of Indebtedness shall not include (i)accounts payable to suppliers and (ii)programming rights, in each case incurred in the ordinary course of business and not overdue. The Indebtedness of any person shall include the recourse Indebtedness of any partnership in which such person is a general partner. For purposes of this Agreement, the amount of any Indebtedness referred to in clause(h) of the preceding sentence shall be amounts, including any termination payments, required to be paid to a counterparty after giving effect to any contractual netting arrangements, and not any notional amount with regard to which payments may be calculated.

"Interest Payment Date" shall mean, with respect to any Loan, the last day of the Interest Period applicable thereto and, in the case of a Eurodollar Loan with an Interest Period of more than three months' duration or a Fixed Rate Loan with an Interest Period of more than 90 days' duration, each day that would have been an Interest Payment Date for such Loan had successive Interest Periods of three months' duration or 90 days' duration, as the case may be, been applicable to such Loan and, in addition, the date of any refinancing or conversion of such Loan with or to a Loan of a different Type.

"Interest Period" shall mean (a) as to any Eurodollar Borrowing, the period commencing on the date of such Borrowing or on the last day of the immediately preceding Interest Period applicable to such Borrowing, as the case may be, and ending on the numerically corresponding day (or, if there is no numerically corresponding day, on the last day) in the calendar month that is 1, 2, 3 or 6 months (or, if agreed to by all Banks, 9 or 12 months) thereafter, as the Borrower may elect, (b) as to any ABR Borrowing, the period commencing on the date of such Borrowing and ending on the date 90 days thereafter or, if earlier, on the

Maturity Date or the date of prepayment of such Borrowing and (c)as to any Fixed Rate Borrowing, the period commencing on the date of such Borrowing and ending on the date specified in the Competitive Bids in which the offer to make the Fixed Rate Loans comprising such Borrowing were extended, which shall not be earlier than seven days after the date of such Borrowing or later than 360 days after the date of such Borrowing; provided, however, that if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of Eurodollar Loans only, such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day. Interest shall accrue from and including the first day of an Interest Period to but excluding the last day of such Interest Period.

"LIBO Rate" shall mean, with respect to any Eurodollar Borrowing for any Interest Period, the rate appearing on Page 3750 of the Telerate Service (or on any successor or substitute page of such Service, or any successor to or substitute for such Service, providing rate quotations comparable to those currently provided on such page of such Service, as reasonably determined by the Agent from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, as the rate for dollar deposits with a maturity comparable to such Interest Period. In the event that such rate is not available at such time for any reason, then the "LIBO Rate" with respect to such Eurodollar Borrowing for such Interest Period shall be the rate at which dollar deposits of $5,000,000 and for a maturity comparable to such Interest Period are offered by the principal London office of the Agent in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period.

"Lien" shall mean, with respect to any asset, (a)any mortgage, deed of trust, lien, pledge, encumbrance, charge or security interest in or on such asset or (b)the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement relating to such asset.

"Loan" shall mean a Competitive Loan or a Standby Loan, whether made as a Eurodollar Loan, an ABR Loan or a Fixed Rate Loan, as permitted hereby.

"Loan Documents" shall mean this Agreement and the Fee Letter.

"Margin" shall mean, as to any Eurodollar Competitive Loan, the margin (expressed as a percentage rate per annum in the form of a decimal to no more than four decimal places) to be added to or subtracted from the LIBO Rate in order to determine the interest rate applicable to such Loan, as specified in the Competitive Bid relating to such Loan.

"Margin Stock" shall have the meaning given such term under Regulation U.

"Material Adverse Effect" shall mean (a)a materially adverse effect on the business, assets, operations, or condition, financial or otherwise, of the Borrower and its Subsidiaries taken as a whole, (b)material impairment of the ability of the Borrower or any Subsidiary to perform any of its obligations under any Loan Document to which it is or will be a

party or (c)material impairment of the rights of or benefits expressly available to the Banks under any Loan Document.

"Maturity Date" shall mean the Availability Termination Date or, in the case of Revolving Credit Loans, if the Borrower shall so elect by notice to the Agent pursuant to Section 2.07(f), the first anniversary of the Availability Termination Date.

"Multiemployer Plan" shall mean a multiemployer plan as defined in Section 4001(a)(3) of ERISA to which the Borrower or any ERISA Affiliate (other than one considered an ERISA Affiliate only pursuant to subsection(m) or (o) of Code Section 414) is making or accruing an obligation to make contributions, or has within any of the preceding five plan years made or accrued an obligation to make contributions.

"Other Agreement" shall mean the 5-Year Competitive Advance and Revolving Credit Facility Agreement, dated as of the date hereof, among the Borrower, the banks named therein, JPMorgan Chase Bank, as administrative agent, and J.P. Morgan Securities Inc.

"Participant" shall have the meaning set forth in Section 9.04.

"PBGC" shall mean the Pension Benefit Guaranty Corporation referred to and defined in ERISA.

"person" shall mean any natural person, corporation, business trust, joint venture, association, company, partnership or government, or any agency or political subdivision thereof.

"Plan" shall mean any pension plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code and which is maintained for employees of the Borrower or any ERISA Affiliate.

"Rate" shall include the LIBO Rate, the Alternate Base Rate and the Fixed Rate.

"Register" shall have the meaning given such term in Section 9.04(b)(iv).

"Regulation D" shall mean Regulation D of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"Regulation U" shall mean Regulation U of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"Regulation X" shall mean Regulation X of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"Related Parties" shall mean, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

"Reportable Event" shall mean any reportable event as defined in Section 4043(b) of ERISA or the regulations issued thereunder with respect to a Plan (other than a Plan

maintained by an ERISA Affiliate that is considered an ERISA Affiliate only pursuant to subsection(m) or (o) of Code Section 414).

"Required Banks" shall mean, at any time, Banks having Commitments representing at least 51% of the Total Commitment or, for purposes of acceleration pursuant to clause(ii) of Article VII, Banks holding Loans representing at least 51% of the aggregate principal amount of the Loans outstanding.

"Responsible Officer" of any corporation shall mean any executive officer or Financial Officer of such corporation and any other officer or similar official thereof responsible for the administration of the obligations of such corporation in respect of this Agreement.

"Standby Borrowing" shall mean a borrowing consisting of simultaneous Standby Loans from each of the Banks.

"Standby Borrowing Request" shall mean a request made pursuant to Section 2.04 in the form of Exhibit A-5.

"Standby Loans" shall mean the revolving loans made by the Banks to the Borrower pursuant to Section 2.04. Each Standby Loan shall be a Eurodollar Standby Loan or an ABR Loan.

"Statutory Reserves" shall mean a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board and any other banking authority to which the Agent is subject for new negotiable nonpersonal time deposits in dollars of over $100,000 with maturities approximately equal to the applicable Interest Period. Statutory Reserves shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"Stockholders' Equity" shall mean, for any corporation, the consolidated total stockholders' equity of such corporation determined in accordance with GAAP, consistently applied.

"subsidiary" shall mean, with respect to any person (herein referred to as the "parent"), any corporation, partnership, association or other business entity (a)of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or more than 50% of the general partnership interests are, at the time any determination is being made, owned, controlled or held, or (b)which is, at the time any determination is made, otherwise Controlled by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

"Subsidiary" shall mean any subsidiary of the Borrower.

"Total Commitment" shall mean at any time the aggregate amount of the Banks' Commitments, as in effect at such time.

"Transactions" shall have the meaning assigned to such term in Section 3.02.

"Trust" shall mean The Edward W. Scripps Trust, being that certain trust for the benefit of descendants of Edward W. Scripps and owning shares of capital stock of the Borrower.

"Type", when used in respect of any Loan or Borrowing, shall refer to the Rate by reference to which interest on such Loan or on the Loans comprising such Borrowing is determined.

"Utilization Fee" shall have the meaning assigned to such term in Section 2.06(c).

"Withdrawal Liability" shall mean liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

SECTION 1.02. TERMS GENERALLY. The definitions in Section 1.01 shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". All references herein to Articles, Sections, Exhibits and Schedules shall be deemed references to Articles and Sections of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; PROVIDED, HOWEVER, that, for purposes of determining compliance with any covenant set forth in Article VI, such terms shall be construed in accordance with GAAP as in effect on the date of this Agreement applied on a basis consistent with the application used in preparing the Borrower's audited financial statements referred to in Section 3.05.

ARTICLE II
THE CREDITS

SECTION 2.01. COMMITMENTS. Subject to the terms and conditions and relying upon the representations and warranties herein set forth, each Bank agrees, severally and not jointly, to make Standby Loans to the Borrower, at any time and from time to time on and after the date hereof and until the earlier of the Availability Termination Date and the termination of the Commitment of such Bank as provided in this Agreement, in an aggregate principal amount at any time outstanding not to exceed such Bank's Commitment minus the amount by which the Competitive Loans outstanding at such time shall be deemed to have used such Commitment pursuant to Section 2.16, subject, however, to the conditions that (a)at no time shall (i)the sum of (x)the outstanding aggregate principal amount of all Standby Loans made by all Banks plus (y)the outstanding aggregate principal amount of all Competitive Loans made by all Banks exceed (ii)the Total Commitment and (b)at all times the outstanding aggregate principal amount of all Standby Loans made by each Bank shall equal the product of (i)the percentage which its Commitment represents of the Total Commitment times (ii)the outstanding aggregate principal amount of all Standby Loans made pursuant to Section 2.04. Each Bank's Commitment is set

forth opposite its respective name in Schedule 2.01. Such Commitments may be terminated or reduced from time to time pursuant to Section 2.11.

Within the foregoing limits, the Borrower may borrow, pay or repay and reborrow hereunder, on and after the Closing Date and prior to the Availability Termination Date, subject to the terms, conditions and limitations set forth herein.

SECTION 2.02. LOANS. (a) Each Standby Loan shall be made as part of a Borrowing consisting of Loans made by the Banks ratably in accordance with their Commitments; PROVIDED, HOWEVER, that the failure of any Bank to make any Standby Loan shall not in itself relieve any other Bank of its obligation to lend hereunder (it being understood, however, that no Bank shall be responsible for the failure of any other Bank to make any Loan required to be made by such other Bank). Each Competitive Loan shall be made in accordance with the procedures set forth in Section 2.03. The Standby Loans or Competitive Loans comprising any Borrowing shall be (i) in the case of Competitive Loans, in an aggregate principal amount which is an integral multiple of $1,000,000 and not less than $5,000,000 and (ii)in the case of Standby Loans, in an aggregate principal amount which is an integral multiple of $1,000,000 and not less than $10,000,000 in the case of Eurodollar Standby Loans and $5,000,000 in the case of ABR Loans (or an aggregate principal amount equal to the remaining balance of the available Commitments).

(b) Each Competitive Borrowing shall be comprised entirely of Eurodollar Competitive Loans or Fixed Rate Loans, and each Standby Borrowing shall be comprised entirely of Eurodollar Standby Loans or ABR Loans, as the Borrower may request pursuant to Section 2.03 or 2.04, as applicable. Each Bank may at its option make any Eurodollar Loan by causing any domestic or foreign branch or Affiliate of such Bank to make such Loan; PROVIDED that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement. Borrowings of more than one Type may be outstanding at the same time; PROVIDED, HOWEVER, that the Borrower shall not be entitled to request any Borrowing which, if made, would result in an aggregate of more than five separate Standby Loans of any Bank being outstanding hereunder at any one time. For purposes of the foregoing, Loans having different Interest Periods, regardless of whether they commence on the same date, shall be considered separate Loans.

(c) Subject to Section 2.05, each Bank shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds to the Agent in New York, New York, not later than 12:00 noon, New York City time, and the Agent shall by 3:00 p.m., New York City time, wire transfer the amounts so received to the general deposit account of the Borrower at Mellon Bank (or other general deposit account designated by the Borrower in writing) or, if a Borrowing shall not occur on such date because any condition precedent herein specified shall not have been met, return the amounts so received to the respective Banks. Competitive Loans shall be made by the Bank or Banks whose Competitive Bids therefor are accepted pursuant to Section 2.03 in the amounts so accepted and Standby Loans shall be made by the Banks pro rata in accordance with Section 2.16. Unless the Agent shall have received notice from a Bank prior to the date of any Borrowing that such Bank will not make available to the Agent such Bank's portion of such Borrowing, the Agent may assume that such Bank has made such portion available to the Agent on the date of such Borrowing in

accordance with this paragraph(c) and the Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent that such Bank shall not have made such portion available to the Agent, such Bank and the Borrower severally agree (without duplication) to repay to the Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Agent at (i)in the case of the Borrower, the interest rate applicable at the time to the Loans comprising such Borrowing and (ii)in the case of such Bank, the Federal Funds Effective Rate. If such Bank shall repay to the Agent such corresponding amount, such amount shall constitute such Bank's Loan as part of such Borrowing for purposes of this Agreement.

(d) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request any Borrowing if the Interest Period requested with respect thereto would end after the Availability Termination Date.

SECTION 2.03. COMPETITIVE BID PROCEDURE. (a) In order to request Competitive Bids, the Borrower shall hand deliver or telecopy to the Agent a duly completed Competitive Bid Request in the form of Exhibit A-1 hereto, to be received by the Agent (i)in the case of a Eurodollar Competitive Borrowing, not later than 10:00 a.m., New York City time, four Business Days before a proposed Competitive Borrowing and (ii)in the case of a Fixed Rate Borrowing, not later than 10:00 a.m., New York City time, one Business Day before a proposed Competitive Borrowing. No ABR Loan shall be requested in, or made pursuant to, a Competitive Bid Request. A Competitive Bid Request that does not conform substantially to the format of Exhibit A-1 may be rejected in the Agent's sole discretion, and the Agent shall as soon as practicable notify the Borrower of such rejection by telecopier. Such request shall in each case refer to this Agreement and specify (x) whether the Borrowing then being requested is to be a Eurodollar Borrowing or a Fixed Rate Borrowing, (y)the date of such Borrowing (which shall be a Business Day) and the aggregate principal amount thereof which shall be in a minimum principal amount of $5,000,000 and in an integral multiple of $1,000,000, and (z)the Interest Period with respect thereto (which may not end after the Availability Termination Date). As soon as practicable after its receipt of a Competitive Bid Request that is not rejected as aforesaid, the Agent shall invite by telecopier (in the form set forth in Exhibit A-2 hereto) the Banks to bid, on the terms and conditions of this Agreement, to make Competitive Loans pursuant to the Competitive Bid Request.

(b) Each Bank may, in its sole discretion, make one or more Competitive Bids to the Borrower responsive to a Competitive Bid Request. Each Competitive Bid by a Bank must be received by the Agent via telecopier, in the form of Exhibit A-3 hereto, (i)in the case of a Eurodollar Competitive Borrowing, not later than 9:30 a.m., New York City time, three Business Days before a proposed Competitive Borrowing and (ii)in the case of a Fixed Rate Borrowing, not later than 9:30 a.m., New York City time, on the day of a proposed Competitive Borrowing. Multiple bids will be accepted by the Agent. Competitive Bids that do not conform substantially to the format of Exhibit A-3 may be rejected by the Agent after conferring with, and upon the instruction of, the Borrower, such conference between the Agent and the Borrower to occur as soon as practicable following the receipt by the Agent of such Competitive Bid, and the Agent shall notify the Bank making such nonconforming bid of such rejection as soon as practicable. Each Competitive Bid shall refer to this Agreement and specify (x) the principal amount (which

shall be in a minimum principal amount of $5,000,000 and in an integral multiple of $1,000,000 and which may equal the entire principal amount of the Competitive Borrowing requested by the Borrower) of the Competitive Loan or Loans that the Bank is willing to make to the Borrower, (y)the Competitive Bid Rate or Rates at which the Bank is prepared to make the Competitive Loan or Loans and (z)the Interest Period and the last day thereof. If any Bank shall elect not to make a Competitive Bid, such Bank shall so notify the Agent via telecopier (I)in the case of Eurodollar Competitive Loans, not later than 9:30 a.m., New York City time, three Business Days before a proposed Competitive Borrowing, and (II)in the case of Fixed Rate Loans, not later than 9:30 a.m., New York City time, on the day of a proposed Competitive Borrowing; PROVIDED, HOWEVER, that failure by any Bank to give such notice shall not cause such Bank to be obligated to make any Competitive Loan as part of such Competitive Borrowing. A Competitive Bid submitted by a Bank pursuant to this paragraph (b) shall be irrevocable.

(c) The Agent shall as soon as practicable notify the Borrower by telecopier (i) in the case of Eurodollar Competitive Loans, not later than 10:00 a.m., New York City time, three Business Days before a proposed Competitive Borrowing, and (ii)in the case of Fixed Rate Loans, not later than 10:00 a.m., New York City time, on the day of a proposed Competitive Borrowing, of all the Competitive Bids made, the Competitive Bid Rate and the principal amount of each Competitive Loan in respect of which a Competitive Bid was made and the identity of the Bank that made each bid. The Agent shall send a copy of all Competitive Bids to the Borrower for its records as soon as practicable after completion of the bidding process set forth in this Section 2.03.

(d) The Borrower may in its sole and absolute discretion, subject only to the provisions of this paragraph (d), accept or reject any Competitive Bid referred to in paragraph(c) above. The Borrower shall notify the Agent by telephone, confirmed by telecopier in the form of a Competitive Bid Accept/Reject Letter in the form of Exhibit A-4, whether and to what extent it has decided to accept or reject any of or all the bids referred to in paragraph(c) above, (x)in the case of a Eurodollar Competitive Borrowing, not later than 10:00 a.m., New York City time, three Business Days before a proposed Competitive Borrowing, and (y)in the case of a Fixed Rate Borrowing, not later than 10:00 a.m., New York City time, on the day of a proposed Competitive Borrowing; PROVIDED, HOWEVER, that (i)the failure by the Borrower to give such notice shall be deemed to be a rejection of all the bids referred to in paragraph(c) above, (ii)the Borrower shall not accept a bid made at a particular Competitive Bid Rate if the Borrower has decided to reject an unrestricted bid made at a lower Competitive Bid Rate, (iii)the aggregate amount of the Competitive Bids accepted by the Borrower shall not exceed the principal amount specified in the Competitive Bid Request, (iv)if the Borrower shall accept a bid or bids made at a particular Competitive Bid Rate but the amount of such bid or bids shall cause the total amount of bids to be accepted by the Borrower to exceed the amount specified in the Competitive Bid Request, then the Borrower shall accept a portion of such bid or bids in an amount equal to the amount specified in the Competitive Bid Request less the amount of all other Competitive Bids accepted with respect to such Competitive Bid Request, which acceptance, in the case of multiple bids at such Competitive Bid Rate, shall be made pro rata in accordance with the amount of each such bid at such Competitive Bid Rate, and (v)except pursuant to clause(iv) above, no bid shall be accepted for a Competitive Loan unless such Competitive Loan is in a minimum principal amount of $5,000,000 and an integral multiple of $1,000,000; PROVIDED, FURTHER, HOWEVER, that if a Competitive Loan must be in an amount less than $5,000,000 because

of the provisions of clause(iv) above, such Competitive Loan may be for a minimum of $1,000,000 or any integral multiple thereof, and in calculating the pro rata allocation of acceptances of portions of multiple bids at a particular Competitive Bid Rate pursuant to clause(iv) the amounts shall be rounded to integral multiples of $1,000,000 in a manner which shall be in the discretion of the Borrower. A notice given by the Borrower pursuant to this paragraph (d) shall be irrevocable.

(e) The Agent shall promptly notify each bidding Bank (i) in the case of Eurodollar Competitive Loans, not later than 11:00 a.m., New York City time, three Business Days before a proposed Competitive Borrowing, and (ii) in the case of Fixed Rate Loans, not later than 11:00 a.m., New York City time, on the day of a proposed Competitive Borrowing, whether or not its Competitive Bid has been accepted (and if so, in what amount and at what Competitive Bid Rate) by telecopy sent by the Agent, and each successful bidder will thereupon become bound, subject to the other applicable conditions hereof, to make the Competitive Loan in respect of which its bid has been accepted.

(f) A Competitive Bid Request shall not be made within five Business Days after the date of any previous Competitive Bid Request.

(g) If the Agent shall elect to submit a Competitive Bid in its capacity as a Bank, it shall submit such bid directly to the Borrower one quarter of an hour earlier than the latest time at which the other Banks are required to submit their bids to the Agent pursuant to paragraph(b) above.

(h) All Notices required by this Section 2.03 shall be given in accordance with Section 9.01.

SECTION 2.04. STANDBY BORROWING PROCEDURE. In order to request a Standby Borrowing, the Borrower shall hand deliver or telecopy to the Agent in the form of Exhibit A-5 (a) in the case of a Eurodollar Standby Borrowing, not later than 10:00 a.m., New York City time, three Business Days before a proposed borrowing and (b) in the case of an ABR Borrowing, not later than 10:00 a.m., New York City time, on the day of a proposed borrowing. No Fixed Rate Loan shall be requested or made pursuant to a Standby Borrowing Request. Such notice shall be irrevocable and shall in each case specify (i) whether the Borrowing then being requested is to be a Eurodollar Standby Borrowing or an ABR Borrowing; (ii) the date of such Standby Borrowing (which shall be a Business Day) and the amount thereof; and (iii) if such Borrowing is to be a Eurodollar Standby Borrowing, the Interest Period with respect thereto. If no election as to the Type of Standby Borrowing is specified in any such notice, then the requested Standby Borrowing shall be an ABR Borrowing. If no Interest Period with respect to any Eurodollar Standby Borrowing is specified in such notice, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. If the Borrower shall not have given notice in accordance with this Section 2.04 of its election to refinance a Standby Borrowing prior to the end of the Interest Period in effect for such Borrowing, then the Borrower shall (unless such Borrowing is repaid at the end of such Interest Period) be deemed to have given notice of an election to refinance such Borrowing with an ABR Borrowing. The Agent shall promptly advise the Banks of any notice given pursuant to this Section 2.04 and of each Bank's portion of the requested Borrowing.

SECTION 2.05. REFINANCINGS. The Borrower may refinance all or any part of any Borrowing with a Borrowing of the same or a different Type made pursuant to Section 2.03 or Section 2.04, subject to the conditions and limitations set forth herein and elsewhere in this Agreement, including refinancings of Competitive Borrowings with Standby Borrowings and Standby Borrowings with Competitive Borrowings. Any Borrowing or part thereof so refinanced shall be repaid in accordance with Section 2.07 with the proceeds of a new Borrowing hereunder and the proceeds of the new Borrowing shall be paid by the Banks to the Agent or by the Agent to the Borrower pursuant to Section 2.02(c); PROVIDED, HOWEVER, that (i) if the principal amount extended by a Bank in a refinancing is greater than the principal amount extended by such Bank in the Borrowing being refinanced, then such Bank shall pay such difference to the Agent for distribution to the Banks described in (ii) below, (ii)if the principal amount extended by a Bank in the Borrowing being refinanced is greater than the principal amount being extended by such Bank in the refinancing, the Agent shall return the difference to such Bank out of amounts received pursuant to (i) above, and (iii)to the extent any Bank fails to pay the Agent amounts due from it pursuant to (i) above, any Loan or portion thereof being refinanced with such amounts shall not be deemed repaid in accordance with Section 2.07 and shall be payable by the Borrower.

SECTION 2.06. FEES. (a) The Borrower agrees to pay to each Bank, through the Agent, on each March 31, June 30, September 30 and December 31 and on the date on which the Commitment of such Bank shall be terminated as provided herein, a facility fee (a "Facility Fee") at a rate per annum equal to the Applicable Percentage from time to time in effect, on the amount of the Commitment of such Bank, whether used or unused, during the preceding quarter (or shorter period commencing with the date hereof) (or, if such Commitment has been terminated, the Standby Loans of such Bank). All Facility Fees shall be computed on the basis of the actual number of days elapsed in a year of 360 days. The Facility Fee due to each Bank shall commence to accrue on the date hereof and shall cease to accrue on the termination of the Commitment of such Bank as provided herein and the payment in full of all Standby Loans.

(b) The Borrower agrees to pay the Agent, for its own account, the fees (the "Administrative Fees") at the times and in the amounts agreed upon in the Fee Letter.

(c) The Borrower agrees to pay, in immediately available funds, to the Agent for the account of each Bank a fee (the "UTILIZATION FEE") based upon the average daily amount of the outstanding Loans of such Bank at a rate per annum equal to 0.10%, when and for as long as the aggregate outstanding principal amount of the sum of (a) the Standby Loans hereunder plus (b) the aggregate principal amount of the Standby Loans (as defined therein) under the Other Agreement exceeds 25% of (i) until the Availability Termination Date, the Aggregate Commitments and (ii) from the Availability Termination Date through the Maturity Date and the payment in full of all Standby Loans, the aggregate amount of the Commitments in effect immediately prior to the Availability Termination Date plus the aggregate amount of the Commitments (as defined therein) of the Other Agreement. The Utilization Fee shall be payable quarterly in arrears on the last day of each March, June, September and December, commencing on the first of such dates to occur after the date hereof, and on the Maturity Date (or such later date of payment in full of all Standby Loans).

(d) All Fees shall be paid on the date due, in immediately available funds, to the Agent for distribution, if and as appropriate, among the Banks.

SECTION 2.07. REPAYMENT OF LOANS; EVIDENCE OF DEBT. (a) The Borrower hereby unconditionally promises to pay (i) to the Agent for the account of each Bank the then unpaid principal amount of each Standby Loan on the Maturity Date and (ii) to the Agent for the account of each applicable Bank the then unpaid principal amount of each Competitive Loan on the last day of the Interest Period applicable to such Loan.

(b) Each Bank shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Bank resulting from each Loan made by such Bank, including the amounts of principal and interest payable and paid to such Bank from time to time hereunder.

(c) The Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, whether such Loan is a Standby Loan or a Competitive Loan, and the Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Bank hereunder and (iii) the amount of any sum received by the Agent hereunder for the account of the Banks and each Bank's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraphs (b) and(c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Bank or the Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

(e) Any Bank may request that Loans made by it be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Bank a promissory note payable to the order of such Bank (or, if requested by such Bank, to such Bank and its registered assigns) and in a usual and customary form for such Type approved by the Agent in its reasonable discretion.

(f) The Borrower may elect to extend the Maturity Date to the first anniversary of the Availability Termination Date by giving notice thereof to the Agent by 1:00 p.m., New York City time, two Business Days prior to the Availability Termination Date. The Agent shall promptly give notice to the Banks of any such extension.

SECTION 2.08. INTEREST ON LOANS. (a) Subject to the provisions of Section 2.09, the Loans comprising each Eurodollar Borrowing shall bear interest (computed on the basis of the actual number of days elapsed over a year of 360 days) at a rate per annum equal to (i)in the case of each Eurodollar Standby Loan, the LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Percentage, and (ii)in the case of each Eurodollar Competitive Loan, the LIBO Rate for the Interest Period in effect for such Borrowing plus the Margin offered by the Bank making such Loan and accepted by the Borrower pursuant to Section 2.03.

(b) Subject to the provisions of Section 2.09, the Loans comprising each ABR Borrowing shall bear interest (computed on the basis of the actual number of days elapsed over a year of 365 or 366 days, as the case may be, when determined by reference to the Prime Rate and over a year of 360 days at all other times) at a rate per annum equal to the Alternate Base Rate.

(c) Subject to the provisions of Section 2.09, each Fixed Rate Loan shall bear interest at a rate per annum (computed on the basis of the actual number of days elapsed over a year of 360 days) equal to the fixed rate of interest offered by the Bank making such Loan and accepted by the Borrower pursuant to Section 2.03.

(d) Interest on each Loan shall be payable on each Interest Payment Date applicable to such Loan. The LIBO Rate or the Alternate Base Rate for each Interest Period or day within an Interest Period shall be determined by the Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.09. DEFAULT INTEREST. If the Borrower shall default in the payment of the principal of or interest on any Loan or any other amount becoming due hereunder, whether by scheduled maturity, notice of prepayment, acceleration or otherwise, the Borrower shall on demand from time to time from the Agent pay interest, to the extent permitted by law, on such defaulted amount up to (but not including) the date of actual payment (after as well as before judgment) at a rate per annum (computed as provided in Section 2.08(b)) equal to the Alternate Base Rate plus 1%.

SECTION 2.10. ALTERNATE RATE OF INTEREST. In the event, and on each occasion, that on the day two Business Days prior to the commencement of any Interest Period for a Eurodollar Borrowing the Agent shall have determined that dollar deposits in the principal amounts of the Eurodollar Loans comprising such Borrowing are not generally available in the London interbank market, or that the rates at which such dollar deposits are being offered will not adequately and fairly reflect the cost to any Bank of making or maintaining its Eurodollar Loan during such Interest Period, or that reasonable means do not exist for ascertaining the LIBO Rate, the Agent shall, as soon as practicable thereafter, give written or telecopy notice of such determination to the Borrower and the Banks. In the event of any such determination, until the Agent shall have advised the Borrower and the Banks that the circumstances giving rise to such notice no longer exist, (i)any request by the Borrower for a Eurodollar Competitive Borrowing pursuant to Section 2.03 shall be of no force and effect and shall be denied by the Agent and (ii)any request by the Borrower for a Eurodollar Standby Borrowing pursuant to Section 2.04 shall be deemed to be a request for an ABR Borrowing. Each determination by the Agent hereunder shall be conclusive absent manifest error.

SECTION 2.11. TERMINATION AND REDUCTION OF COMMITMENTS. (a) The Commitments shall be automatically terminated on the Availability Termination Date.

(b) Upon at least three Business Days' prior irrevocable written or telecopy notice to the Agent, the Borrower may at any time in whole permanently terminate, or from time to time in part permanently reduce, the Total Commitment; PROVIDED, HOWEVER, that (i)each partial reduction of the Total Commitment shall be in an integral multiple of $5,000,000 and in a minimum principal amount of $5,000,000 and (ii)no such termination or reduction shall be made

which would reduce the Total Commitment to an amount less than the aggregate outstanding principal amount of the Loans.

(c) Each reduction in the Total Commitment hereunder shall be made ratably among the Banks in accordance with their respective Commitments. The Borrower shall pay to the Agent for the account of the Banks, on the date of each termination or reduction, the Facility Fees on the amount of the Commitments so terminated or reduced accrued to the date of such termination or reduction.

SECTION 2.12. PREPAYMENT. (a) The Borrower shall have the right at any time and from time to time to prepay any Standby Borrowing, in whole or in part, upon giving written or telecopy notice (or telephone notice promptly confirmed by written or telecopy notice) to the Agent: (i) before 10:00 a.m., New York City time, three Business Days prior to prepayment, in the case of Eurodollar Loans and (ii) before 10:00 a.m., New York City time, one Business Day prior to prepayment, in the case of ABR Loans; provided, however, that each partial prepayment shall be in an amount which is an integral multiple of $1,000,000 and not less than $10,000,000. The Borrower shall not have the right to prepay any Competitive Borrowing.

(b) On the date of any termination or reduction of the Commitments pursuant to Section 2.11, the Borrower shall pay or prepay so much of the Standby Borrowings as shall be necessary in order that the aggregate principal amount of the Competitive Loans and Standby Loans outstanding will not exceed the Total Commitment after giving effect to such termination or reduction.

(c) Each notice of prepayment shall specify the prepayment date and the principal amount of each Borrowing (or portion thereof) to be prepaid, shall be irrevocable and shall commit the Borrower to prepay such Borrowing (or portion thereof) by the amount stated therein on the date stated therein. All prepayments under this Section 2.12 shall be subject to Section 2.15 but otherwise without premium or penalty. All prepayments under this Section 2.12 shall be accomplished by accrued interest on the principal amount being prepaid to the date of payment.

SECTION 2.13. RESERVE REQUIREMENTS; CHANGE IN CIRCUMSTANCES. (a) Notwithstanding any other provision herein, if after the date of this Agreement any change in applicable law or regulation or in the interpretation or administration thereof by any governmental authority charged with the interpretation or administration thereof (whether or not having the force of law) shall change the basis of taxation of payments to any Bank of the principal of or interest on any Eurodollar Loan or Fixed Rate Loan made by such Bank or any Fees or other amounts payable hereunder (other than changes in respect of taxes imposed on the overall net income of such Bank by the jurisdiction in which such Bank has its principal office or by any political subdivision or taxing authority therein), or shall impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of or credit extended by such Bank, or shall impose on such Bank or the London interbank market any other condition affecting this Agreement or any Eurodollar Loan or Fixed Rate Loan made by such Bank, and the result of any of the foregoing shall be to increase the cost to such Bank of making or maintaining any Eurodollar Loan or Fixed Rate Loan or to reduce the amount of any sum received or receivable by such Bank hereunder (whether of principal, interest

or otherwise) by an amount deemed by such Bank to be material, then the Borrower will pay to such Bank within 30 days of demand such additional costs incurred or reduction suffered. Notwithstanding the foregoing, no Bank shall be entitled to request compensation under this paragraph with respect to any Competitive Loan if it shall have been aware of the change giving rise to such request at the time of submission of the Competitive Bid pursuant to which such Competitive Loan shall have been made.

(b) If any Bank shall have determined that the applicability of any law, rule, regulation or guideline adopted pursuant to or arising out of the July1988 report of the Basle Committee on Banking Regulations and Supervisory Practices entitled "International Convergence of Capital Measurement and Capital Standards", or the adoption after the date hereof of any other law, rule, regulation or guideline regarding capital adequacy, or any change in any of the foregoing or in the interpretation or administration of any of the foregoing by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Bank (or any lending office of such Bank) or any Bank's holding company with any request or directive regarding capital adequacy (whether or not having the focus of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on such Bank's capital or on the capital of such Bank's holding company, if any, as a consequence of this Agreement or the Loans made by such Bank pursuant hereto to a level below that which such Bank or such Bank's holding company could have achieved but for such applicability, adoption, change or compliance (taking into consideration such Bank's policies and the policies of such Bank's holding company with respect to capital adequacy) by an amount deemed by such Bank to be material, then from time to time the Borrower shall pay to such Bank such additional amount or amounts as will compensate such Bank or such Bank's holding company for any such reduction suffered. It is acknowledged that the Facility Fee provided for in this Agreement has been determined on the understanding that the Banks will not be required to maintain capital against their Commitments under currently applicable law, rules, regulations and regulatory guidelines. In the event the Banks shall be advised by bank regulatory authorities responsible for interpreting or administering such applicable laws, rules, regulations and guidelines or shall otherwise determine, on the basis of applicable laws, rules, regulations, guidelines or other requests or statements (whether or not having the force of law) of such bank regulatory authorities, that such understanding is incorrect, it is agreed that the Banks will be entitled to make claims under this paragraph based upon prevailing market requirements for commitments under comparable credit facilities against which capital is required to be maintained.

(c) Notwithstanding any other provision of this Section 2.13, no Bank shall demand compensation for any increased cost or reduction referred to in paragraph (a) or (b) above if it shall not at the time be the general policy or practice of such Bank to demand such compensation in similar circumstances under comparable provisions of other credit agreements, if any.

(d) A certificate of a Bank setting forth such amount or amounts as shall be necessary to compensate such Bank as specified in paragraph (a) or (b) above, as the case may be, shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay each Bank the amount shown as due on any such certificate delivered by it

within 30 days after the receipt of the same. If any Bank subsequently receives a refund of any such amount paid by the Borrower it shall remit such refund to the Borrower.

(e) Failure on the part of any Bank to demand compensation for any increased costs or reduction in amounts received or receivable or reduction in return on capital with respect to any period shall not constitute a waiver of such Bank's right to demand compensation with respect to any other period; PROVIDED that if any Bank fails to make such demand within 90 days after it obtains knowledge of the event giving rise to the demand such Bank shall, with respect to amounts payable pursuant to this Section 2.13 resulting from such event, only be entitled to payment under this Section 2.13 for such costs incurred or reduction in amounts or return on capital from and after the date 90 days prior to the date that such Bank does make such demand. The protection of this Section shall be available to each Bank regardless of any possible contention of the invalidity or inapplicability of the law, rule, regulation, guideline or other change or condition which shall have occurred or been imposed.

SECTION 2.14. CHANGE IN LEGALITY. (a) Notwithstanding any other provision herein, if any change in any law or regulation or in the interpretation thereof by any governmental authority charged with the administration or interpretation thereof shall make it unlawful for any Bank to make or maintain any Eurodollar Loan or to give effect to its obligations as contemplated hereby with respect to any Eurodollar Loan, then, by written or telecopy notice to the Borrower and to the Agent, such Bank may:

(i) declare that Eurodollar Loans will not thereafter be made by such Bank hereunder, whereupon such Bank shall not submit a Competitive Bid in response to a request for Eurodollar Competitive Loans and any request by the Borrower for a Eurodollar Standby Borrowing shall, as to such Bank only, be deemed a request for an ABR Loan unless such declaration shall be subsequently withdrawn; and

(ii) require that all outstanding Eurodollar Loans made by it be converted to ABR Loans, in which event all such Eurodollar Loans shall be automatically converted to ABR Loans as of the effective date of such notice as provided in paragraph(b) below.

In the event any Bank shall exercise its rights under (i) or (ii)above, all payments and prepayments of principal which would otherwise have been applied to repay the Eurodollar Loans that would have been made by such Bank or the converted Eurodollar Loans of such Bank shall instead be applied to repay the ABR Loans made by such Bank in lieu of, or resulting from the conversion of, such Eurodollar Loans.

(b) For purposes of this Section 2.14, a notice to the Borrower by any Bank shall be effective as to each Eurodollar Loan, if lawful, on the last day of the Interest Period currently applicable to such Eurodollar Loan; in all other cases such notice shall be effective on the date of receipt by the Borrower.

(c) Each Bank agrees that, upon the occurrence of any event giving rise to the operation of paragraph (a) of this Section 2.14 with respect to such Bank, it shall have a duty to

endeavor in good faith to mitigate the adverse effects that may arise as a consequence of such event to the extent that such mitigation will not, in the reasonable judgment of such Bank, entail any cost or disadvantage to such Bank that such Bank is not reimbursed or compensated for by the Borrower.

SECTION 2.15. INDEMNITY. The Borrower shall indemnify each Bank against any loss or expense which such Bank may sustain or incur as a consequence of (a) any failure by the Borrower to fulfill on the date of any borrowing hereunder the applicable conditions set forth in Article IV, (b) any failure by the Borrower to borrow or to refinance or continue any Loan hereunder after irrevocable notice of such borrowing, refinancing or continuation has been given pursuant to Section 2.03 or 2.04, (c) any payment, prepayment or conversion of a Eurodollar Loan or Fixed Rate Loan required by any other provision of this Agreement or otherwise made or deemed made on a date other than the last day of the Interest Period applicable thereto, (d) any default in payment or prepayment of the principal amount of any Loan or any part thereof or interest accrued thereon, as and when due and payable (at the due date thereof, whether by scheduled maturity, acceleration, irrevocable notice of prepayment or otherwise) or (e)the occurrence of any Event of Default, including, in each such case, any loss or reasonable expense sustained or incurred or to be sustained or incurred in liquidating or employing deposits from third parties acquired to effect or maintain such Loan or any part thereof as a Eurodollar Loan or Fixed Rate Loan. Such loss or reasonable expense shall include an amount equal to the excess, if any, as reasonably determined by such Bank, of (i) its cost of obtaining the funds for the Loan being paid, prepaid, converted or not borrowed (assumed to be the LIBO Rate or, in the case of a Fixed Rate Loan, the fixed rate of interest applicable thereto) for the period from the date of such payment, prepayment or failure to borrow to the last day of the Interest Period for such Loan (or, in the case of a failure to borrow, the Interest Period for such Loan which would have commenced on the date of such failure) over (ii)the amount of interest (as reasonably determined by such Bank) that would be realized by such Bank in reemploying the funds so paid, prepaid or not borrowed for the remainder of such period or Interest Period, as the case may be. A certificate of any Bank setting forth any amount or amounts which such Bank is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error.

Each Bank shall have a duty to mitigate the damages to such Bank that may arise as a consequence of clause (a), (b), (c), (d) or (e) above to the extent that such mitigation will not, in the reasonable judgment of such Bank, entail any cost or disadvantage to such Bank that such Bank is not reimbursed or compensated for by the Borrower.

SECTION 2.16. PRO RATA TREATMENT. Except as required under Section 2.14, each Standby Borrowing, each payment or prepayment of principal of any Standby Borrowing, each payment of interest on the Standby Loans, each payment of the Facility Fees, each reduction of the Commitments and each refinancing of any Borrowing with a Standby Borrowing of any Type, shall be allocated pro rata among the Banks in accordance with their respective Commitments (or, if such Commitments shall have expired or been terminated, in accordance with the respective principal amounts of their outstanding Standby Loans). Each payment of principal of any Competitive borrowing shall be allocated pro rata among the Banks participating in such Borrowing in accordance with the respective principal amounts of their outstanding Competitive Loans comprising such Borrowing. Each payment of interest on any

Competitive Borrowing shall be allocated pro rata among the Banks participating in such Borrowing in accordance with the respective amounts of accrued and unpaid interest on their outstanding Competitive Loans comprising such Borrowing. For purposes of determining the available Commitments of the Banks at any time, each outstanding Competitive Borrowing shall be deemed to have utilized the Commitments of the Banks (including those Banks which shall not have made Loans as part of such Competitive Borrowing) pro rata in accordance with such respective Commitments. Each Bank agrees that in computing such Bank's portion of any Borrowing to be made hereunder, the Agent may, in its discretion, round each Bank's percentage of such Borrowing to the next higher or lower whole dollar amount.

SECTION 2.17. SHARING OF SETOFFS. Each Bank agrees that if it shall, through the exercise of a right of banker's lien, setoff or counterclaim against the Borrower, or pursuant to, a secured claim under Section 506 of title 11 of the United States Code or other security or interest arising from, or in lieu of, such secured claim received by such Bank under any applicable bankruptcy, insolvency or other similar law or otherwise, or by any other means, obtain payment (voluntary or involuntary) in respect of any Standby Loan or Loans as a result of which the unpaid principal portion of the Standby Loans shall be proportionately less than the unpaid principal portion of the Standby Loans of any other Bank, it shall be deemed simultaneously to have purchased from such other Bank at face value, and shall promptly pay to such other Bank the purchase price for, a participation in the Standby Loans of such other Bank, so that the aggregate unpaid principal amount of the Standby Loans and participations in the Standby Loans held by each Bank shall be in the same proportion to the aggregate unpaid principal amount of all Standby Loans then outstanding as the principal amount of its Standby Loans prior to such exercise of banker's lien, setoff or counterclaim or other event was to the principal amount of all Standby Loans outstanding prior to such exercise of banker's lien, setoff or counterclaim or other event; PROVIDED, HOWEVER, that, if any such purchase or purchases or adjustment shall be made pursuant to this Section 2.17 and the payment giving rise thereto shall thereafter be recovered, such purchase or purchases or adjustments shall be rescinded to the extent of such recovery and the purchase price or prices or adjustments restored without interest. The Borrower expressly consents to the foregoing arrangements and agrees that any Bank holding a participation in a Standby Loan deemed to have been so purchased may exercise any and all rights of banker's lien, setoff or counterclaim with respect to any and all moneys owing by the Borrower to such Bank by reason thereof as fully as if such Bank had made a Standby Loan directly to the Borrower in the amount of such participation.

SECTION 2.18. PAYMENTS. (a) The Borrower shall initiate each payment (including principal of or interest on any Borrowing or any Fees or other amounts) hereunder and under any other Loan Document not later than 12:00 (noon), New York City time, on the date when due in dollars to the Agent at its offices at 270 Park Avenue, New York, New York, in immediately available funds.

SECTION 2.19. TAXES. (a) Any and all payments by the Borrower hereunder shall be made, in accordance with Section 2.18, free and clear of and without deduction for any and all current or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding (i) income taxes imposed on the net income of the Agent or any Bank (or any transferee or assignee thereof, including a participation holder (any such entity a "Transferee")) and (ii) franchise taxes imposed on the net income of the Agent or

any Bank (or Transferee), in each case by the jurisdiction under the laws of which the Agent or such Bank (or Transferee) is organized or has its principal place of business or any political subdivision thereof (all such nonexcluded taxes, levies, imposts, deductions, charges, withholdings and liabilities, collectively or individually, "Taxes"). If the Borrower shall be required to deduct any Taxes from or in respect of any sum payable hereunder to any Bank (or any Transferee) or the Agent, (i) the sum payable shall be increased by the amount (an "additional amount") necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.19) such Bank (or Transferee) or the Agent (as the case may be) shall receive an amount equal to the sum it would have received had no such deduction been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) In addition, the Borrower agrees to pay to the relevant Governmental Authority in accordance with applicable law any current or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies that arise from any payment made hereunder or from the execution, delivery or registration of, or otherwise with respect to, this Agreement or any other Loan Document ("Other Taxes").

(c) The Borrower will indemnify each Bank (or Transferee) and the Agent for the full amount of Taxes and Other Taxes paid by such Bank (or Transferee) or the Agent, as the case may be, and any liability (including penalties, interest and expenses (including reasonable attorney's fees and expenses)) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability prepared by a Bank, or the Agent on its behalf, absent manifest error, shall be final, conclusive and binding for all purposes. Such indemnification shall be made within 30 days after the date the Bank (or Transferee) or the Agent, as the case may be, makes written demand therefor.

(d) If a Bank (or Transferee) or the Agent shall become aware that it is entitled to claim a refund from a Governmental Authority in respect of Taxes or Other Taxes as to which it has been indemnified by the Borrower, or with respect to which the Borrower has paid additional amounts, pursuant to this Section 2.19, it shall promptly notify the borrower of the availability of such refund claim and shall, within 30 days after receipt of a request by the Borrower, make a claim to such Governmental Authority for such refund at the Borrower's expense. If a Bank (or Transferee) or the Agent receives a refund (including pursuant to a claim for refund made pursuant to the preceding sentence) in respect of any Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section 2.19, it shall within 30 days from the date of such receipt pay over such refund to the Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section 2.19 with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of such Bank (or Transferee) or the Agent and without interest (other than interest paid by the relevant Governmental Authority with respect to such refund); provided, however, that the Borrower, upon the request of such Bank (or Transferee) or the Agent, agrees to repay the amount paid over to the Borrower (plus penalties, interest or other charges) to such Bank (or Transferee) or the

Agent in the event such Bank (or Transferee) or the Agent is required to repay such refund to such Governmental Authority.

(e) As soon as practicable after the date of any payment of Taxes or Other Taxes by the Borrower to the relevant Governmental Authority, the Borrower will deliver to the Agent, at its address referred to in Section 9.01, the original or a certified copy of a receipt issued by such Governmental Authority evidencing payment thereof.

(f) Without prejudice to the survival of any other agreement contained herein, the agreements and obligations contained in this Section 2.19 shall survive the payment in full of the principal of and interest on all Loans made hereunder.

(g) Each Bank (or Transferee) that is organized under the laws of a jurisdiction other than the United States, any State thereof or the District of Columbia (a "Non-U.S. Bank") shall deliver to the Borrower and the Agent two copies of either United States Internal Revenue Service Form W-8BEN or Form W-8ECI, or, in the case of a Non-U.S. Bank claiming exemption from U.S. Federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest", a Form W-8BEN, or any subsequent versions thereof or successors thereto (and, if such Non-U.S. Bank delivers a Form W-8BEN, a certificate representing that such Non-U.S. Bank is not a bank for purposes of Section 881(c) of the Code, is not a 10-percent shareholder (within the meaning of Section 871(h)(3)(B) of the Code) of the Borrower and is not a controlled foreign corporation related to the Borrower (within the meaning of Section 864(d)(4) of the Code)), properly completed and duly executed by such Non-U.S. Bank claiming complete exemption from, or reduced rate of, U.S. Federal withholding tax on payments by the Borrower under this Agreement and the other Loan Documents. Such forms shall be delivered by each Non-U.S. Bank on or before the date it becomes a party to this Agreement (or, in the case of a Transferee that is a participation holder, on or before the date such participation holder becomes a Transferee hereunder) and on or before the date, if any, such Non-U.S. Bank changes its applicable lending office by designating a different lending office (a "New Lending Office"). In addition, each Non-U.S. Bank shall deliver such forms promptly upon the obsolescence or invalidity of any form previously delivered by such Non-U.S. Bank. Notwithstanding any other provision of this Section 2.19(g), a Non-U.S. Bank shall not be required to deliver any form pursuant to this Section 2.19(g) that such Non-U.S. Bank is not legally able to deliver.

(h) The Borrower shall not be required to indemnify any Non-U.S. Bank, or to pay any additional amounts to any Non-U.S. Bank, in respect of United States Federal withholding tax pursuant to paragraph (a) or (c) above to the extent that (i) the obligation to withhold amounts with respect to United States Federal withholding tax existed on the date such Non-U.S. Bank became a party to this Agreement (or, in the case of a Transferee that is a participation holder, on the date such participation holder became a Transferee hereunder) or, with respect to payments to a New Lending Office, the date such Non-U.S. Bank designated such New Lending Office with respect to a Loan; PROVIDED, HOWEVER, that this clause (i) of this subsection 2.19(h) shall not apply to any Transferee or New Lending Office that becomes a Transferee or New Lending Office as a result of an assignment, participation, transfer or designation made at the request of the Borrower; and PROVIDED FURTHER, HOWEVER, that this clause (i) of this subsection 2.19(h) shall not apply to the extent the indemnity payment or additional

amounts any Transferee, or Bank (or Transferee) through a New Lending Office, would be entitled to receive (without regard to this clause (i) of this subsection 2.19(h)) do not exceed the indemnity payment or additional amounts that the person making the assignment, participation or transfer to such Transferee, or Bank (or Transferee) making the designation of such New Lending Office, would have been entitled to receive in the absence of such assignment, participation, transfer or designation or (ii) the obligation to pay such additional amounts would not have arisen but for a failure by such Non-U.S. Bank to comply with the provisions of paragraph (g) above.

(i) Any Bank (or Transferee) claiming any additional amounts payable under this Section 2.19 shall (A) to the extent legally able to do so, upon written request from the Borrower, file any certificate or document if such filing would avoid the need for or reduce the amount of any such additional amounts which may thereafter accrue, and the Borrower shall not be obligated to pay such additional amounts if, after the Borrower's request, any Bank (or Transferee) could have filed such certificate or document and failed to do so; or (B) consistent with legal and regulatory restrictions, use reasonable efforts to change the jurisdiction of its applicable lending office if the making of such change would avoid the need for or reduce the amount of any additional amounts which may thereafter accrue and would not, in the sole determination of such Bank (or Transferee), be otherwise disadvantageous to such Bank (or Transferee).

(j) Nothing contained in this Section 2.19 shall require any Bank (or Transferee) or the Agent to make available any of its tax returns (or any other information that it deems to be confidential or proprietary).

SECTION 2.20. MANDATORY ASSIGNMENT; COMMITMENT TERMINATION. In the event any Bank delivers to the Agent or the Borrower, as appropriate, a certificate in accordance with Section 2.13(c) or a notice in accordance with Section 2.10 or 2.14, or the Borrower is required to pay any additional amounts or other payments in accordance with Section 2.19, the Borrower may, at its own expense, and in its sole discretion (a) require such Bank to transfer and assign in whole or in part, without recourse (in accordance with Section 9.04), all or part of its interests, rights and obligations under this Agreement (other than outstanding Competitive Loans) to an assignee which shall assume such assigned obligations (which assignee may be another Bank, if a Bank accepts such assignment); PROVIDED that (i)such assignment shall not conflict with any law, rule or regulation or order of any court or other Governmental Authority and (ii) the Borrower or such assignee shall have paid to the assigning Bank in immediately available funds the principal of and interest accrued to the date of such payment on the Loans made by it hereunder and all other amounts owed to it hereunder or (b) terminate the Commitment of such Bank and prepay all outstanding Loans (other than Competitive Loans) of such Bank; PROVIDED that (x) such termination of the Commitment of such Bank and prepayment of Loans does not conflict with any law, rule or regulation or order of any court or Governmental Authority and (y) the Borrower shall have paid to such Bank in immediately available funds the principal of and interest accrued to the date of such payment on the Loans (other than Competitive Loans) made by it hereunder and all other amounts owed to it hereunder.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to each of the Banks that:

SECTION 3.01. ORGANIZATION; POWERS. The Borrower and each Subsidiary of the Borrower (a)is a corporation or other entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (b) has all requisite corporate or other entity power and authority to own its property and assets and to carry on its business as now conducted, (c) is qualified to do business in every jurisdiction where such qualification is required, except where the failure so to qualify would not be reasonably likely to have a Material Adverse Effect, and (d) in the case of the Borrower, has the corporate power and authority to execute, deliver and perform its obligations under each of the Loan Documents to which it is a party and each other agreement or instrument contemplated thereby to which it is or will be a party and to borrow hereunder.

SECTION 3.02. AUTHORIZATION. The execution, delivery and performance by the Borrower of this Agreement and the execution, delivery and performance of each of the other Loan Documents and the borrowings hereunder (collectively, the "Transactions") (a) have been duly authorized by all requisite corporate and, if required, stockholder action and (b) will not (i) violate (A) any provision of law, statute, rule or regulation, or of the certificate or articles of incorporation or other constitutive documents or by-laws (or code of regulations) of the Borrower or any Subsidiary, (B) any order of any Governmental Authority or (C) any provision of any indenture, agreement or other instrument to which the Borrower or any Subsidiary is a party or by which any of them or any of their property is or may be bound, (ii) be in conflict with, result in a breach of or constitute (alone or with notice or lapse of time or both) a default under any such indenture, agreement or other instrument and (iii) result in the creation or imposition of any Lien upon or with respect to any property or assets now owned or hereafter acquired by the Borrower or any Subsidiary, except for any such violation, conflict, creation or imposition which does not impair the Borrower's ability to enter into and perform the Transactions or would not be reasonably likely to have a Material Adverse Effect or materially impair the position of the Banks with respect to any other creditors of the Borrower.

SECTION 3.03. ENFORCEABILITY. This Agreement has been duly executed and delivered by the Borrower and constitutes, and each other Loan document when executed and delivered by the Borrower will constitute, a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or other similar laws of general application affecting the enforcement of creditors' rights or by general principles of equity.

SECTION 3.04. GOVERNMENTAL APPROVALS. No action, consent or approval of, registration or filing with or any other action by any Governmental Authority is or will be required by the Borrower in connection with the Transactions, except such as have been made or obtained and are in full force and effect.

SECTION 3.05. FINANCIAL STATEMENTS. The Borrower has heretofore furnished to the Banks the consolidated balance sheet and consolidated statements of income, retained earnings and cash flows of the Borrower and its consolidated subsidiaries (a) as of and for the fiscal year ended December 31, 2001, audited by and accompanied by the opinion of Deloitte & Touche LLP, independent public accountants, and (b) as of and for the fiscal quarter and the portion of the fiscal year ended March 31, 2002, certified by the chief financial officer of the Borrower. Such financial statements (subject, in the case of such interim statements, to normal year-end audit adjustments) present fairly in all material respects the financial condition and results of operations of the Borrower and its consolidated subsidiaries as of such dates and for such periods. Such balance sheets and the notes thereto disclose, in accordance with GAAP, all material liabilities, direct or contingent, of the Borrower and its consolidated subsidiaries as of the dates thereof. Such financial statements were prepared in accordance with GAAP applied on a consistent basis, except that such interim financial statements do not contain footnotes.

SECTION 3.06. NO MATERIAL ADVERSE CHANGE. There has been no change in the business, assets, operations or condition, financial or otherwise, of the Borrower and its Subsidiaries since December 31, 2001 that would constitute a Material Adverse Effect which is not reflected in the financial statements referred to in Section 3.05(b).

SECTION 3.07. TITLE TO PROPERTIES; POSSESSION UNDER LEASES. (a) Each of the Borrower and its Subsidiaries has good and marketable title to, or valid leasehold interests in, all its properties and assets, except for defects in title that would not, in the aggregate, be reasonably likely to have a Material Adverse Effect. All material properties and assets are free and clear of Liens, other than Liens expressly permitted by Section 6.02.

(b) Each of the Borrower and its Subsidiaries has complied with all obligations under all leases to which it is a party, all such leases are in full force and effect and each of the Borrower and its Subsidiaries enjoys peaceful and undisturbed possession under all such leases, except for any noncompliance, ineffectiveness or other conditions that would not, in the aggregate, be reasonably likely to have a Material Adverse Effect.

SECTION 3.08. STOCK OF BORROWER. More than 51% of the outstanding Common Voting Shares, par value $.01, of the Borrower are owned legally, beneficially and of record by the Trust or the beneficiaries thereof.

SECTION 3.09. LITIGATION; COMPLIANCE WITH LAWS. (a) Except as set forth in Schedule 3.09 or otherwise disclosed to the Banks in writing, there are not any actions, suits or proceedings at law or in equity or by or before any Governmental Authority now pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower or any Subsidiary or any business, property or rights of any such person (i) which involve any Loan Document or the Transactions or (ii) as to which there is a reasonable possibility of an adverse determination and which, if adversely determined, would, individually or in the aggregate, be reasonably likely to have a Material Adverse Effect.

(b) None of the Borrower nor any of its Subsidiaries is in violation of any law, rule or regulation, or in default with respect to any judgment, writ, injunction or decree of any

Governmental Authority, where such violation or default would be reasonably likely to have a Material Adverse Effect.

SECTION 3.10. AGREEMENTS. (a) None of the Borrower nor any of its Subsidiaries is a party to any agreement or instrument or subject to any corporate restriction that has resulted or would be reasonably likely to result in a Material Adverse Effect.

(b) None of the Borrower nor any of its Subsidiaries is in default in any manner under any provision of any indenture or other agreement or instrument evidencing Indebtedness, or any other material agreement or instrument to which it is a party or by which it or any of its properties or assets are or may be bound, where such default would be reasonably likely to have a Material Adverse Effect.

SECTION 3.11. FEDERAL RESERVE REGULATIONS. (a) None of the Borrower nor any of its Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying Margin Stock.

(b) No part of the proceeds of any Loan will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, (i)to purchase or carry Margin Stock or to extend credit to others for the purpose of purchasing or carrying Margin Stock or to refund indebtedness originally incurred for such purpose, or (ii)for any purpose which entails a violation of, or which is inconsistent with, the provisions of the Regulations of the Board, including Regulation U or X.

SECTION 3.12. INVESTMENT COMPANY ACT; PUBLIC UTILITY HOLDING COMPANY ACT. None of the Borrower nor any Subsidiary is (a)an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940 or (b)a "holding company" as defined in, or subject to regulation under, the Public Utility Holding Company Act of 1935.

SECTION 3.13. USE OF PROCEEDS. The Borrower will use the proceeds of the Loans only for the purposes specified in the preamble to this Agreement.

SECTION 3.14. TAX RETURNS. Each of the Borrower and its Subsidiaries has filed or caused to be filed all Federal, state and local tax returns required to have been filed by it and has paid or caused to be paid all taxes shown to be due and payable on such returns or on any assessments received by it, except taxes that are being contested in good faith by appropriate proceedings and for which the Borrower shall have set aside on its books adequate reserves.

SECTION 3.15. NO MATERIAL MISSTATEMENTS. No material information, report, financial statement, exhibit or schedule furnished by the Borrower in writing to the Agent or any Bank in connection with the negotiation of any Loan Document or included therein or delivered pursuant thereto contained, contains or will contain any material misstatement of fact or omitted, omits or will omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were, are or will be made, not misleading.

SECTION 3.16. EMPLOYEE BENEFIT PLANS. The Borrower and each of its ERISA Affiliates is in compliance with the applicable provisions of ERISA and the Code and the regulations and published interpretations thereunder, except for violations which, in the

aggregate, would not be reasonably likely to have a Material Adverse Effect. No Reportable Event has occurred in respect of any plan of the Borrower or any ERISA Affiliate that would be reasonably likely to have a Material Adverse Effect. The present value of all benefit liabilities under each Plan (based on those assumptions used to fund such Plan) did not, as of the last annual valuation date applicable thereto, exceed by more than $20,000,000 the value of the assets of such Plan, and the present value of all benefit liabilities of all underfunded Plans (based on those assumptions used to fund each such Plan) did not, as of the last annual valuation dates applicable thereto, exceed $40,000,000. Neither the Borrower nor any ERISA Affiliate has incurred any Withdrawal Liability that materially adversely affects the financial condition of the Borrower and its ERISA Affiliates taken as a whole. Neither the Borrower nor any ERISA Affiliate has received any notification that any Multiemployer Plan is in reorganization or has been terminated, within the meaning of Title IV of ERISA, and no Multiemployer Plan is reasonably expected to be in reorganization or to be terminated, where such reorganization or termination has resulted or would reasonably be expected to result in the contributions required to be made to such Plan that would materially and adversely affect the financial condition of the Borrower and its ERISA Affiliates taken as a whole.

SECTION 3.17. ENVIRONMENTAL AND SAFETY MATTERS. Except as set forth in Schedule 3.17 or otherwise previously disclosed to the Banks in writing, each of the Borrower and each of its Subsidiaries has complied with all Federal, state, local and other statutes, ordinances, orders, judgments, rulings and regulations relating to environmental pollution or to environmental regulation or control or to employee health or safety, except for violations which, in the aggregate, would not be reasonably likely to have a Material Adverse Effect. Except as set forth in Schedule 3.17 or otherwise previously disclosed to the Banks in writing, none of the Borrower or any of its Subsidiaries has received notice of any failure so to comply. Except as set forth in Schedule 3.17 or otherwise previously disclosed to the Banks in writing, the Borrower's and its Subsidiaries' plants do not manage any hazardous wastes, hazardous substances, hazardous materials, toxic substances, toxic pollutants, or substances similarly denominated, as those terms or similar terms are used in the Resource Conservation and Recovery Act, the Comprehensive Environmental Response Compensation and Liability Act, the Hazardous Materials Transportation Act, the Toxic Substance Control Act, the Clean Air Act, the Clean Water Act or any other applicable law relating to environmental pollution or employee health and safety, in violation in any material respect of any law or any regulations promulgated pursuant thereto, except for violations which, in the aggregate, would not be reasonably likely to have a Material Adverse Effect. Except as set forth in Schedule 3.17 or otherwise previously disclosed to the Banks in writing, none of the Borrower nor any of its Subsidiaries is aware of any events, conditions or circumstances involving environmental pollution or contamination or employee health or safety that is reasonably expected to result in liability which would have a Material Adverse Effect.

ARTICLE IV

CONDITIONS OF LENDING

The obligations of the Banks to make Loans hereunder are subject to the satisfaction of the following conditions:

SECTION 4.01. ALL BORROWINGS. On the date of each Borrowing, including each Borrowing in which Loans are refinanced with new Loans as contemplated by Section 2.05, and on the date of the election of the term out option pursuant to Section 2.07(f):

(a) The Agent shall have received a notice of such Borrowing or election as required by Section 2.03, Section 2.04 or Section 2.07, as applicable.

(b) The representations and warranties set forth in Article III hereof (except, subject to Section 4.02(e), the representations set forth in Section 3.06) shall be true and correct in all material respects on and as of the date of such Borrowing or election with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date.

(c) At the time of and immediately after such Borrowing or election no Event of Default or Default shall have occurred and be continuing.

Each Borrowing or such election shall be deemed to constitute a representation and warranty by the Borrower on the date of such Borrowing or election as to the matters specified in paragraphs(b) and (c) of this Section 4.01.

SECTION 4.02. FIRST BORROWING. On the Closing Date:

(a) The Agent shall have received a favorable written opinion of Baker & Hostetler LLP, counsel for the Borrower, dated the Closing Date and addressed to the Banks, to the effect set forth in Exhibit D hereto, and the Borrower hereby instructs such counsel to deliver such opinion to the Agent.

(b) All legal matters incident to this Agreement and the borrowings hereunder shall be satisfactory to the Banks and their counsel and to Simpson Thacher & Bartlett, counsel for the Agent.

(c) The Agent shall have received (i) a copy of the articles of incorporation, including all amendments thereto, of the Borrower, certified as of a recent date by the Secretary of State of the state of its organization, and a certificate as to the good standing of the Borrower as of a recent date, from such Secretary of State; (ii) a certificate of the Secretary or Assistant Secretary of the Borrower dated the Closing Date and certifying (A) that attached thereto is a true and complete copy of the code of regulations of the Borrower as in effect on the Closing Date and at all times since a date prior to the date of the resolutions described in clause (B) below, (B) that attached thereto is a true and complete copy of resolutions duly adopted by the Board of Directors of the Borrower authorizing the execution, delivery and performance of the Loan Documents and the borrowings hereunder, and that such resolutions have not been modified, rescinded or amended and are in full force and effect, (C) that the articles of incorporation of the Borrower have not been amended since the date of the last amendment thereto shown on the certificate of good standing furnished pursuant to clause (i) above, and (D) as to the incumbency and specimen signature of each officer executing any Loan document or any other document delivered in connection herewith on behalf of the Borrower; (iii) a certificate of another officer as to the incumbency and specimen signature of the Secretary or Assistant Secretary executing the certificate pursuant to (ii) above; and (iv) such other

documents as the Banks or their counsel or Simpson Thacher & Bartlett, counsel for the Agent, may reasonably request.

(d) The Agent shall have received a certificate from the Borrower, dated the Closing Date and signed by a Financial Officer thereof, confirming compliance with the conditions precedent set forth in paragraphs (b) and (c) of Section 4.01.

(e) The representations and warranties set forth in Section 3.06 shall be true and correct in all material respects.

(f) Concurrently with the transactions contemplated hereby on the Closing Date, the Borrower, the applicable Banks and the Agent shall have executed a side letter whereby all competitive loans under the Existing Credit Agreement shall be deemed to be Competitive Loans hereunder. The Borrower shall have repaid in full all other amounts due under the Existing Credit Agreement and under each other agreement related thereto, and the Agent shall have received duly executed documentation either evidencing or necessary for (i) the termination of the Existing Credit Agreement and each other agreement related thereto and (ii) the cancelation of all commitments thereunder.

(g) The Agent shall have received all Fees and other amounts due and payable on or prior to the Closing Date.

ARTICLE V

AFFIRMATIVE COVENANTS

The Borrower covenants and agrees with each Bank that, so long as this Agreement shall remain in effect or the principal of or interest on any Loan, any Fees or any other expenses or amounts payable under any Loan Document shall be unpaid, unless the Required Banks shall otherwise consent in writing, it will, and will cause each of its Subsidiaries to:

SECTION 5.01. EXISTENCE; BUSINESSES AND PROPERTIES. (a) Do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence, except as otherwise expressly permitted under Section 6.04 and except with respect to the Subsidiaries of the Borrower where such failure would not reasonably be likely to have a Material Adverse Effect.

(b) Except to the extent that the failure to do or cause the same to be done would not be reasonably likely to have a Material Adverse Effect, do or cause to be done all things necessary to obtain, preserve, renew, extend and keep in full force and effect the rights, licenses, permits, franchises, authorizations, patents, copyrights, trademarks and trade names material to the conduct of its business; maintain and operate such business in substantially the manner in which it is presently conducted and operated (subject to changes in the ordinary course of business); comply in all material respects with all applicable laws, rules, regulations and orders of any Governmental Authority, whether now in effect or hereafter enacted; and at all times maintain and preserve all property material to the conduct of such business and keep such

property in good repair, working order and condition and from time to time make, or cause to be made all needful and proper repairs, renewals, additions, improvements and replacements thereto necessary in order that the business carried on in connection therewith may be properly conducted at all times.

SECTION 5.02. INSURANCE. (a) Keep its insurable properties adequately insured at all times by financially sound and reputable insurers; (b) maintain such other insurance, to such extent and against such risks, including fire and other risks insured against by extended coverage, as is customary with companies in the same or similar businesses, including public liability insurance against claims for personal injury or death or property damage occurring upon, in, about or in connection with the use of any properties owned, occupied or controlled by it, and (c)maintain such other insurance as may be required by law; PROVIDED, HOWEVER, that, in lieu of or supplementing any such insurance described in(a) or (b)above, it may adopt such other plan or method of protection conforming to its self-insurance practices existing on the date hereof.

SECTION 5.03. OBLIGATIONS AND TAXES. Except to the extent the failure to do so would not, in the aggregate, be reasonably likely to have a Material Adverse Effect, pay its Indebtedness and other obligations promptly and in accordance with their terms and pay and discharge promptly when due all taxes, assessments and governmental charges or levies imposed upon it or upon it or upon its income or profits or in respect of its property, before the same shall become delinquent or in default, as well as all lawful claims for labor, materials and supplies or otherwise which, if unpaid, might give rise to a Lien upon such properties or any part thereof; PROVIDED, HOWEVER, that such payment and discharge shall not be required with respect to any such tax, assessment, charge, levy or claim so long as the validity or amount thereof shall be contested in good faith by appropriate proceedings and the Borrower shall have set aside on its books adequate reserves with respect thereto.

SECTION 5.04. FINANCIAL STATEMENTS, REPORTS, ETC. Furnish to the Agent and each Bank:

(a) within 120 days after the end of each fiscal year of the Borrower, consolidated balance sheets of the Borrower and its consolidated subsidiaries, the related consolidated statements of operations and the related consolidated statements of stockholders' equity and cash flows, showing the financial condition of the Borrower and its consolidated subsidiaries as of the close of such fiscal year and the results of its operations during such year, all such consolidated financial statements audited by and accompanied by the report thereon of Deloitte& Touche LLP or other independent public accountants of recognized national standing reasonably acceptable to the Required Banks and accompanied by an opinion of such accountants (which shall not be qualified in any material respect) to the effect that such consolidated financial condition and results of operations of the Borrower on a consolidated basis;

(b) within 60 days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower, consolidated balance sheets and related consolidated statements of income, retained earnings and cash flows, showing the financial condition of the Borrower and its consolidated subsidiaries as of the close of such fiscal quarter and the results of its operations during such fiscal quarter and the then elapsed portion of the

fiscal year, all certified by a Financial Officer of the Borrower as fairly presenting in all material respects the financial condition and results of operations of the Borrower on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and except for the absence of footnotes in the case of quarterly statements;

(c) concurrently with any delivery of financial statements under(a) or (b)above, a certificate of a Financial Officer of the Borrower opining on or certifying such statements (i)certifying that no Event of Default or Default has occurred or, if such an Event of Default or Default has occurred, specifying the nature and extent thereof and any corrective action taken or proposed to be taken with respect thereto and (ii)setting forth computations in reasonable detail satisfactory to the Agent demonstrating compliance with the covenants contained in Sections 6.01(a) and (b)(v), 6.03 and 6.05;

(d) promptly after the same become publicly available, copies of all material periodic and other reports, proxy statements and other materials filed by the Borrower or any Subsidiary with the Securities and Exchange Commission, or any governmental authority succeeding to any of or all the functions of said Commission, or with any national securities exchange, or distributed to its public shareholders, as the case may be;

(e) promptly after the same become publicly available, copies of all material reports pertaining to any change in ownership filed by the Borrower or any Subsidiary with any Governmental Authority; and

(f) promptly, from time to time, such other information regarding the operations, business affairs and financial condition of the Borrower or any Subsidiary, or compliance with the terms of any Loan Document, as the Agent or any Bank may reasonably request.

SECTION 5.05. LITIGATION AND OTHER NOTICES. Furnish to the Agent and each Bank prompt written notice of the following:

(a) any Event of Default or Default, specifying the nature and extent thereof and the corrective action (if any) proposed to be taken with respect thereto;

(b) the filing or commencement of, or any threat or notice of intention of any person to file or commence, any action, suit or proceeding, whether at law or in equity or by or before any Governmental Authority, against the Borrower or any Affiliate thereof which could be reasonably anticipated to be adversely determined and, if adversely determined, could result in a Material Adverse Effect; and

(c) any development that has resulted in, or could reasonably be anticipated by the Borrower to result in, a Material Adverse Effect.

SECTION 5.06. ERISA. (a) Comply with the applicable provisions of ERISA and the Code except to the extent of such noncompliance which, in the aggregate, would not be reasonably likely to have a Material Adverse Effect and (b)furnish to the Agent (i)as soon as possible after, and in any event with 30days after any Responsible Officer of the Borrower or

any ERISA Affiliate knows or has reason to know that any Reportable Event has occurred that alone or together with any other Reportable Event could reasonably be expected to result in liability of the Borrower to the PBGC in an aggregate amount exceeding $10,000,000, a statement of a Financial Officer setting forth details as to such Reportable Event and the action proposed to be taken with respect thereto, together with a copy of the notice, if any, of such Reportable Event given to the PBGC, (ii)promptly after receipt thereof, a copy of any notice that the Borrower or any ERISA Affiliate may receive from the PBGC relating to the intention of the PBGC to terminate any Plan or Plans (other than a Plan maintained by an ERISA Affiliate that is considered an ERISA Affiliate only pursuant to subsection(m) or(o) of Code Section 414 or to appoint a trustee to administer any such Plan, (iii)within 10 days after the due date for filing with the PBGC pursuant to Section 412(n) of the Code of a notice of failure to make a required installment or other payment with respect to a Plan, a statement of a Financial Officer setting forth details as to such failure and the action proposed to be taken with respect thereto, together with a copy of such notice given to the PBGC and (iv) promptly and in any event within 30 days after receipt thereof by the Borrower or any ERISA Affiliate from the sponsor of a Multiemployer Plan, a copy of each notice received by the Borrower, or any ERISA Affiliate concerning (A)the imposition of Withdrawal Liability or (B)a determination that a Multiemployer Plan is, or is expected to be, terminated or in reorganization, in each case within the meaning of Title IV of ERISA.

SECTION 5.07. MAINTAINING RECORDS; ACCESS TO PROPERTIES AND INSPECTIONS. Maintain all financial records in accordance with GAAP and permit any representatives designated by any Bank to visit and inspect the financial records and the properties of the Borrower or any Subsidiary upon reasonable prior notice at reasonable times and as often as reasonably requested (PROVIDED that such Bank shall make reasonable efforts not to interfere unreasonably with the business of the Borrower or any Subsidiary) and to make extracts from and copies of such financial records, and permit any representatives designated by any Bank to discuss the affairs, finances and condition of the Borrower or any Subsidiary with the officers thereof and independent accountants therefor; PROVIDED that each person obtaining such information shall hold all such information in strict confidence in accordance with the restrictions set forth in Section 9.16.

SECTION 5.08. USE OF PROCEEDS. Use the proceeds of the Loans only for the purposes set forth in the preamble to this Agreement.

SECTION 5.09. FILINGS. Make all material filings required to be made by it with any Governmental Authority.

ARTICLE VI

NEGATIVE COVENANTS

The Borrower covenants and agrees with each Bank and the Agent that, so long as this Agreement shall remain in effect or the principal of or interest on any Loan, any Fees or any other expenses or amounts payable under any Loan Document shall be unpaid, unless the Required Banks shall otherwise consent in writing, it will not, and will not cause or permit any of its Subsidiaries to:

SECTION 6.01. INDEBTEDNESS. (a) Permit the ratio of Consolidated Indebtedness of the Borrower to Consolidated Cash Flow of the Borrower at the end of and for the most recently ended four consecutive calendar quarters at any time to be greater than 5.0 to 1.0.

(b) Permit any Subsidiary of the Borrower to incur, create, assume or permit to exist any Indebtedness, except:

(i) Indebtedness existing on the date hereof as set forth in Schedule 6.01 hereto, and additional Indebtedness incurred pursuant to commitments by persons to lend to any Subsidiary but only to the extent such commitments are available and unused as of the date hereof as set forth in Schedule 6.01 hereto;

(ii) Indebtedness of a Subsidiary or business existing at the time such Subsidiary or business was acquired by the Borrower or a Subsidiary; provided that such Indebtedness was not incurred in contemplation of such acquisition;

(iii) Indebtedness to the Borrower or to another Subsidiary of the Borrower; and

(iv) other Indebtedness exclusive of the Indebtedness permitted by clauses (i) through (iii) above in an aggregate amount at any time outstanding which, when added to the aggregate Indebtedness secured by Liens permitted by Section 6.02(k) and to the aggregate amount incurred by the Borrower and any of the Subsidiaries pursuant to Section 6.03(ii) herein, shall not exceed 15% of the Consolidated Stockholders' Equity of the Borrower at such time.

SECTION 6.02. LIENS. Create, incur, assume or permit to exist any Lien on any property or assets (including stock or other securities of any person, including any Subsidiary) now owned or hereafter acquired by it or on any income or revenues or rights in respect of any thereof, except:

(a) Liens incurred or pledges and deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and old-age pensions and other social security benefits;

(b) Liens securing the performance of bids, tenders, leases, contracts (other than for the repayment of borrowed money), statutory obligations, surety and appeal bonds and other obligations of like nature, incurred as an incident to and in the ordinary course of business;

(c) Liens imposed by law, such as carriers', warehousemen's, mechanics', materialmen's, suppliers', repairmen's and vendors' liens, incurred in good faith in the ordinary course of business with respect to obligations not delinquent or which are being contested in good faith by appropriate proceedings and as to which the Borrower or a Subsidiary shall have set aside on its books adequate reserves;

(d) Liens securing the payment of taxes, assessments and governmental charges or levies, either (i) not delinquent or (ii)being contested in good faith by appropriate legal or administrative proceedings and as to which the Borrower or a Subsidiary, as the case may be, shall have set aside on its books adequate reserves;

(e) zoning restrictions, easements, licenses, reservations, restrictions on the use of real property or minor irregularities incident thereto (and with respect to leasehold interests: mortgages, obligations, liens and other encumbrances that are incurred, created, assumed or permitted to exist and arise by, through or under or are asserted by a landlord or owner of the leased property, with or without consent of the lessee) which were not incurred in connection with the borrowing of money or the obtaining of advances or credit and which do not in the aggregate materially detract from the value of the property or assets of the Borrower or a Subsidiary, as the case may be, or impair the use of such property for the purposes for which such property is held by the Borrower or such Subsidiary;

(f) Liens to secure the purchase price of real or personal property acquired, constructed or improved after the date hereof; PROVIDED that any such Lien is existing or created at the time of, or substantially simultaneously with, the acquisition, construction or improvement by the Borrower or a Subsidiary of the property so acquired and at all times covers only such property;

(g) Liens on property of a Subsidiary in favor of the Borrower or another Subsidiary;

(h) Liens created by or resulting from any litigation or proceeding which is currently being contested in good faith by appropriate proceedings and as to which (i) levy and execution have been stayed and continue to be stayed and (ii)the Borrower or a Subsidiary shall have set aside on its books adequate reserves;

(i) Liens on property of a Subsidiary existing at the time it becomes a Subsidiary; PROVIDED that such Liens were not created in contemplation of the acquisition by the Borrower or another Subsidiary of such Subsidiary;

(j) Liens on the property of the Borrower or a Subsidiary incidental to the conduct of its business or the ownership of its property which were not incurred in connection with the borrowing of money or the obtaining of advances or credit or other financial accommodations (including but not limited to interest rate swap obligations or letter of credit obligations of the Borrower or any Subsidiary), and which do not in the aggregate materially detract from the value of its property or assets or impair the use thereof in the operation of its business;

(k) the Borrower and any Subsidiary may incur Liens not otherwise permitted by this covenant securing Indebtedness in an aggregate amount at any time outstanding which, when added to the aggregate amount incurred by Subsidiaries under Section 6.01(b)(iv) and to the aggregate amount incurred by the Borrower and the Subsidiaries

under Section 6.03(ii) does not exceed 15% of Consolidated Stockholders' Equity of the Borrower at such time;

(l) judgment Liens that do not constitute an Event of Default; and

(m) Liens on property acquired by the Borrower or any of its Subsidiaries after the Closing Date so long as such Liens are limited to the property acquired and were not created in contemplation of the acquisition.

SECTION 6.03. SALE AND LEASE-BACK TRANSACTIONS. Enter into any arrangement, directly or indirectly, with any person whereby it shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property which it intends to use for substantially the same purpose or purposes as the property being sold or transferred, except that (i) any Subsidiary may enter into such an arrangement for the sale or transfer of its property to another Subsidiary or to the Borrower and (ii)the Borrower and the Subsidiaries may enter into any such arrangements provided that the aggregate sale price of all property subject to such arrangements (other than arrangements described in clause(i) above), when added to the aggregate amount of Indebtedness incurred by Subsidiaries under Section 6.01(b)(v) and to the aggregate amount of Indebtedness secured by Liens permitted by Section 6.02(k), shall not exceed 15% of the Consolidated Stockholders' Equity of the Borrower at such time.

SECTION 6.04. MERGERS, CONSOLIDATIONS AND SALES OF ASSETS. Merge into or consolidate with any other person, or permit any other person to merge into or consolidate with it, or sell, transfer, lease or otherwise dispose of (in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) or purchase, lease or otherwise acquire (in one transaction or a series of transactions) all or substantially all of the assets of any other person, except that if at the time thereof and immediately after giving effect thereto no Event of Default or Default shall have occurred and be continuing, (a)the Borrower or a Subsidiary may merge with another corporation in a transaction in which the surviving entity is the Borrower or such Subsidiary, respectively, and, in the case of a Subsidiary, the surviving entity is a wholly owned Subsidiary, (b)any Subsidiary may merge into the Borrower or another Subsidiary; or (c)the Borrower or a Subsidiary may purchase, lease or otherwise acquire any assets of any other person.

SECTION 6.05. INTEREST COVERAGE RATIO. Permit the ratio of Consolidated Cash Flow of the Borrower to Consolidated Interest Expense of the Borrower for the period of four consecutive calendar quarters most recently ended at any time to be less than 2.5 to 1.0.

SECTION 6.06. FISCAL YEAR. Change its fiscal year.

ARTICLE VII

EVENTS OF DEFAULT

In case of the happening of any of the following events ("Events of Default"):

(a) any representation or warranty made or deemed made in or in connection with any Loan Document or the borrowings hereunder, or any representation, warranty, statement or information contained in any report, certificate, financial statement or other instrument furnished in connection with or pursuant to any Loan Document, shall prove to have been false or misleading in any material respect when so made, deemed made or furnished;

(b) default shall be made in the payment of any principal of any Loan when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or by acceleration thereof or otherwise;

(c) default shall be made in the payment of any interest on any Loan or any Fee or any other amount (other than an amount referred to in (b) above) due under any Loan Document, when and as the same shall become due and payable, and such default shall continue unremedied for a period of 5 Business Days;

(d) default shall be made in the due observance or performance by the Borrower or any Subsidiary of any covenant, condition or agreement contained in Section 5.01(a) or 5.05(a) or in Article VI;

(e) default shall be made in the due observance or performance by the Borrower or any Subsidiary of any covenant, condition or agreement contained in any Loan Document (other than those specified in (b), (c) or (d) above) and such default shall continue unremedied for a period of 30 days after written notice thereof from the Agent or any Bank to the Borrower;

(f) the Borrower or any Subsidiary shall (i)fail to pay any principal or interest, regardless of amount, due in respect of any Indebtedness in a principal amount in excess of $10,000,000, when and as the same shall become due and payable, or (ii)fail to observe or perform any other term, covenant, condition or agreement contained in any agreement or instrument evidencing or governing any such Indebtedness if the effect of any failure referred to in this clause(ii) is to cause such Indebtedness to become due prior to its stated maturity;

(g) an involuntary proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (i)relief in respect of the Borrower or any Subsidiary, or of a substantial part of the property or assets of the Borrower or a Subsidiary, under Title 11 of the United States Code, as now constituted or hereafter amended, or any other Federal or state bankruptcy, insolvency, receivership or similar law, (ii)the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Subsidiary or for a substantial part of the property or assets of the Borrower or a Subsidiary or (iii)the winding-up or liquidation of the Borrower or any Subsidiary; and such proceeding or petition shall continue undismissed for 90 days or an order or decree approving or ordering any of the foregoing shall be unstayed and in effect for 90 days;

(h) the Borrower or any Subsidiary shall (i)voluntarily commence any proceeding or file any petition seeking relief under Title 11 of the United States Code, as now constituted or hereafter amended, or any other Federal or state bankruptcy, insolvency, receivership or similar law, (ii)consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or the filing of any petition described in (g) above, (iii)apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Subsidiary or for a substantial part of the property or assets of the Borrower or any Subsidiary, (iv)file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v)make a general assignment for the benefit of creditors, (vi)become unable, admit in writing its inability or fail generally to pay its debts as they become due or (vii)take any action for the purpose of effecting any of the foregoing;

(i) one or more final judgments for the payment of money in excess of $10,000,000, excluding such amounts which are covered by insurance, shall be rendered against the Borrower, any Subsidiary or any combination thereof and the same shall remain undischarged for a period of 30 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to levy upon assets or properties of the Borrower or any Subsidiary to enforce any such judgment;

(j) a Reportable Event or Reportable Events, or a failure to make a required installment or other payment (within the meaning of Section 412(n)(l) of the Code), shall have occurred with respect to any Plan or Plans that reasonably could be expected to result in liability of the Borrower to the PBGC or to a Plan in an aggregate amount exceeding $10,000,000 and, within 30 days after the reporting of any such Reportable Event to the Agent or after the receipt by the Agent of the statement required pursuant to Section 5.06, the Agent shall have notified the Borrower in writing that (i)the Required Banks have made a determination that, on the basis of such Reportable Event or Reportable Events or the failure to make a required payment, there are reasonable grounds (A)for the termination of such Plan or Plans by the PBGC, (B)for the appointment by the appropriate United States District Court of a trustee to administer such Plan or Plans or (C)for the imposition of a lien in favor of a Plan and (ii)as a result thereof an Event of Default exists hereunder; or a trustee shall be appointed by a United States District Court to administer any such Plan or Plans; or the PBGC shall institute proceedings to terminate any Plan or Plans; or

(k) (i) the Borrower or any ERISA Affiliate shall have been notified by the sponsor of a Multiemployer Plan that it has incurred Withdrawal Liability to such Multiemployer Plan, (ii)the Borrower or such ERISA Affiliate does not have reasonable grounds for contesting such Withdrawal Liability or is not contesting such Withdrawal Liability in a timely and appropriate manner and (iii)the amount of such Withdrawal Liability specified in such notice, when aggregated with all other amounts required to be paid to Multiemployer Plans in connection with Withdrawal Liabilities (determined as of the date or dates of such notification), either (A)exceeds $10,000,000 or requires payments exceeding $10,000,000 in any year or (B)is less than $10,000,000 but any Withdrawal Liability payment remains unpaid 30 days after such payment is due;

(l) the Borrower or any ERISA Affiliate shall have been notified by the sponsor of a Multiemployer Plan that such Multiemployer Plan is in reorganization or is being terminated, within the meaning of Title IV of ERISA, if solely as a result of such reorganization or termination the aggregate annual contributions of the Borrower and its ERISA Affiliates to all Multiemployer Plans that are then in reorganization or have been or are being terminated have been or will be increased over the amounts required to be contributed to such Multiemployer Plans for their most recently completed plan years by an amount exceeding $10,000,000; or

(m) there shall have occurred a Change in Control;

then, and in every such event (other than an event with respect to the Borrower described in paragraph(g) or (h) above), and at any time thereafter during the continuance of such event, the Agent, at the request of the Required Banks, shall, by notice to the Borrower, take either or both of the following actions, at the same or different times: (i)terminate forthwith the Commitments and (ii)declare the Loans then outstanding to be forthwith due and payable in whole or in part, whereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and any unpaid accrued Fees and all other liabilities of the Borrower accrued hereunder and under any other Loan Document, shall become forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Borrower, anything contained herein or in any other Loan Document to the contrary notwithstanding; and in any event with respect to the Borrower described in paragraph(g) or (h) above, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and any unpaid accrued Fees and all other liabilities of the Borrower accrued hereunder and under any other Loan Document, shall automatically become due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Borrower, anything contained herein or in any other Loan Document to the contrary notwithstanding.

ARTICLE VIII

THE AGENT

In order to expedite the transactions contemplated by this Agreement, JPMorgan Chase Bank is hereby appointed to act as Agent on behalf of the Banks. Each of the Banks, and each transferee of any Bank, hereby irrevocably authorizes the Agent to take such actions on behalf of such Bank or transferee and to exercise such powers as are specifically delegated to the Agent by the terms and provisions hereof and of the other Loan Documents, together with such actions and powers as are reasonably incidental thereto. The Agent is hereby expressly authorized by the Banks, without hereby limiting any implied authority, (a) to receive on behalf of the Banks all payments of principal of and interest on the Loans and all other amounts due to the Banks hereunder, and promptly to distribute to each Bank its proper share of each payment so received; (b)to give notice on behalf of each of the Banks to the Borrower of any Event of Default specified in this Agreement of which the Agent has actual knowledge acquired in connection with its agency hereunder; and (c)to distribute to each Bank copies of all notices, financial statements and other materials delivered by the Borrower pursuant to this Agreement as received by the Agent.

Neither the Agent nor any of its directors, officers, employees or agents shall be liable as such for any action taken or omitted by any of them except for its or his own gross negligence or wilful misconduct, or be responsible for any statement, warranty or representation herein or the contents of any document delivered in connection herewith, or be required to ascertain or to make any inquiry concerning the performance or observance by the Borrower of any of the terms, conditions, covenants or agreements contained in any Loan Document. The Agent shall not be responsible to the Banks for the due execution, genuineness, validity, enforceability or effectiveness of this Agreement or any other Loan Documents or other instruments or agreements. The Agent shall in all cases be fully protected in acting, or refraining from acting, in accordance with written instructions signed by the Required Banks and, except as otherwise specifically provided herein, such instructions and any action or inaction pursuant thereto shall be binding on all the Banks. The Agent shall, in the absence of knowledge to the contrary, be entitled to rely on any instrument or document believed by it in good faith to be genuine and correct and to have been signed or sent by the proper person or persons. Neither the Agent nor any of its directors, officers, employees or agents shall have any responsibility to the Borrower on account of the failure of or delay in performance or breach by any Bank of any of its obligations hereunder or to any Bank on account of the failure of or delay in performance or breach by any other Bank or the Borrower of any of their respective obligations hereunder or under any other Loan Document or in connection herewith or therewith. The Agent may execute any and all duties hereunder by or through agents or employees and shall be entitled to rely upon the advice of legal counsel selected by it with respect to all matters arising hereunder and shall not be liable for any action taken or suffered in good faith by it in accordance with the advice of such counsel.

The Banks hereby acknowledge that the Agent shall be under no duty to take any discretionary action permitted to be taken by it pursuant to the provisions of this Agreement unless it shall be requested in writing to do so by the Required Banks.

Subject to the appointment and acceptance of a successor Agent as provided below, the Agent may resign at any time by notifying the Banks and the Borrower. Upon any such resignation, the Required Banks shall have the right to appoint a successor. If no successor shall have been so appointed by the Required Banks and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation, then the retiring Agent may, on behalf of the Banks, appoint a successor Agent which shall be a bank with an office in New York, New York, having a combined capital and surplus of at least $500,000,000 or an Affiliate of any such bank. Upon the acceptance of any appointment as Agent hereunder by a successor bank, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent and the retiring Agent shall be discharged from its duties and obligations hereunder. After the Agent's resignation hereunder, the provisions of this Article and Section 9.05 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as Agent.

With respect to the Loans made by it hereunder, the Agent in its individual capacity and not as Agent shall have the same rights and powers as any other Bank and may exercise the same as though it were not the Agent, and the Agent and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if it were not the Agent.

Each Bank agrees (i) to reimburse the Agent, on demand, in the amount of its pro rata share (based on its Commitment hereunder) of any expenses incurred for the benefit of the Banks by the Agent, including counsel fees and compensation of agents and employees paid for services rendered on behalf of the Banks, which shall not have been reimbursed by the Borrower and (ii)to indemnify and hold harmless the Agent and any of its directors, officers, employees or agents, on demand, in the amount of such pro rata share, from and against any and all liabilities, taxes, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against it in its capacity as the Agent or any of them in any way relating to or arising out of this Agreement or any other Loan Document or any action taken or omitted by it or any of them under this Agreement or any other Loan Document, to the extent the same shall not have been reimbursed by the Borrower; provided that no Bank shall be liable to the Agent for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the gross negligence or wilful misconduct of the Agent or any of its directors, officers, employees or agents.

Each Bank acknowledges that it has, independently and without reliance upon the Agent or any other Bank and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Bank also acknowledges that it will, independently and without reliance upon the Agent or any other Bank and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement or any other Loan Document, any related agreement or any document furnished hereunder or thereunder.

ARTICLE IX

MISCELLANEOUS

SECTION 9.01. NOTICES. Notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(a) if to the Borrower, to it at 312 Walnut Street, Suite 2800, Cincinnati, Ohio 45202, Attention of Treasurer (Telecopy No. 513-977-3729) with a copy to Baker & Hostetler LLP, counsel for the Borrower, to it at 3200 National City Center, Cleveland, Ohio 44114, Attention of John H .Burlingame, Esq. (Telecopy No. 216-696-0740) and 312 Walnut Street, Suite 2650, Cincinnati, Ohio 45202, Attention of William Appleton (Telecopy No. 513-929-0303);

(b) if to the Agent, to JPMorgan Chase Bank, One Chase Manhattan Plaza, New York, New York 10081, Attention of Ganesh Persaud (Telecopy No. 212-552-5700), with copies to JPMorgan Chase Bank, 270 Park Avenue, New York, New York 10017, Attention of Linda Wisnieski (Telecopy No. 212-270-4164); and

(c) if to a Bank, to it at its address (or telecopy number) set forth in Schedule 2.01 or in the Assignment and Acceptance pursuant to which such Bank shall have become a party hereto.

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 if delivered by hand or overnight courier service or sent by telecopy, in each case delivered, sent or mailed (properly addressed) to such party as provided in this Section 9.01 or in accordance with the latest unrevoked direction from such party given in accordance with this Section 9.01.

SECTION 9.02. SURVIVAL OF AGREEMENT. All covenants, agreements, representations and warranties made by the Borrower herein and in the certificates or other material instruments prepared or delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the Banks and shall survive the making by the Banks of the Loans, regardless of any investigation made by the Banks or on their behalf, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any Fee or any other amount payable under this Agreement or any other Loan Document is outstanding and unpaid and so long as the Commitments have not been terminated.

SECTION 9.03. BINDING EFFECT. This Agreement shall become effective when it shall have been executed by the Borrower and the Agent and when the Agent shall have received copies hereof which, when taken together, bear the signatures of each Bank, and thereafter shall be binding upon and inure to the benefit of the Borrower, the Agent and each Bank and their respective successors and assigns, except that the Borrower shall not have the right to assign its rights hereunder or any interest herein without the prior consent of all the Banks.

SECTION 9.04. SUCCESSORS AND ASSIGNS. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Bank (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Bank may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Agent and the Banks) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Bank may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld, conditioned or delayed) of:

(A) the Borrower, PROVIDED that no consent of the Borrower shall be required for an assignment to a Bank, an Affiliate of a Bank, an Approved Fund (as defined below) or, if an Event of Default under clause (b), (c), (g) or (h) of Article VII has occurred and is continuing, any other assignee; and

(B) the Agent, PROVIDED that no consent of the Agent shall be required for an assignment to an assignee that is a Bank or an affiliate of a Bank immediately prior to giving effect to such assignment.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Bank or an Affiliate of a Bank or an assignment of the entire remaining amount of the assigning Bank's Commitment, the amount of the Commitment of the assigning Bank subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Agent) shall not be less than $5,000,000 unless each of the Borrower and the Agent otherwise consent, PROVIDED that no such consent of the Borrower shall be required if an Event of Default under clause (b), (c), (g) or (h) of Article VII has occurred and is continuing;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Bank's rights and obligations under this Agreement, PROVIDED that this clause shall not apply to rights in respect of outstanding Competitive Loans;

(C) the parties to each assignment shall execute and deliver to the Agent an Assignment and Acceptance, together with a processing and recordation fee of $3,500;

(D) the assignee, if it shall not be a Bank, shall deliver to the Agent an Administrative Questionnaire; and

(E) in the case of an assignment to a CLO (as defined below), the assigning Bank shall retain the sole right to approve any amendment, modification or waiver of any provision of this Agreement, PROVIDED that the Assignment and Acceptance between such Bank and such CLO may provide that such Bank will not, without the consent of such CLO, agree to any amendment, modification or waiver described in the first proviso to Section 9.08(b) that affects such CLO.

For the purposes of this Section 9.04(b), the terms "Approved Fund" and "CLO" have the following meanings:

"APPROVED FUND" means (a) a CLO and (b) with respect to any Bank that is a fund which invests in bank loans and similar extensions of credit, any other fund that invests in bank loans and similar extensions of credit and is managed by the same investment advisor as such Bank or by an Affiliate of such investment advisor.

"CLO" means any entity (whether a corporation, partnership, trust or otherwise) that is engaged in making, purchasing, holding or otherwise investing in bank loans and similar

extensions of credit in the ordinary course of its business and is administered or managed by a Bank or an Affiliate of such Bank.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective date specified in each Assignment and Acceptance the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Bank under this Agreement, and the assigning Bank thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Bank's rights and obligations under this Agreement, such Bank shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.13, 2.15, 2.19 and 9.05). Any assignment or transfer by a Bank of rights or obligations under this Agreement that does not comply with this Section 9.04 shall be treated for purposes of this Agreement as a sale by such Bank of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Banks, and the Commitment of, and principal amount of the Loans owing to, each Bank pursuant to the terms hereof from time to time (the "REGISTER"). The entries in the Register shall be conclusive, and the Borrower, the Agent and the Banks may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Bank hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Bank, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Bank and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Bank hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Agent shall accept such Assignment and Acceptance and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) (i) Any Bank may, without the consent of the Borrower or the Agent, sell participations to one or more banks or other entities (a "PARTICIPANT") in all or a portion of such Bank's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); PROVIDED that (A) such Bank's obligations under this Agreement shall remain unchanged, (B) such Bank shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrower, the Agent and the other Banks shall continue to deal solely and directly with such Bank in connection with such Bank's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Bank sells such a participation shall provide that such Bank shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; PROVIDED that such agreement or instrument may provide that such Bank will not, without the consent of the Participant, agree to any amendment, modification or waiver

described in the first proviso to Section 9.08(b) that affects such Participant. Subject to paragraph (c)(ii) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.13, 2.15 and 2.19 to the same extent as if it were a Bank and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.06 as though it were a Bank, provided such Participant agrees to be subject to Section 2.17 as though it were a Bank.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.13 or 2.19 than the applicable Bank would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Non-U.S. Bank if it were a Bank shall not be entitled to the benefits of Section 2.19 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 2.19(g) as though it were a Bank.

(d) Any Bank may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Bank, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; PROVIDED that no such pledge or assignment of a security interest shall release a Bank from any of its obligations hereunder or substitute any such pledgee or assignee for such Bank as a party hereto.

SECTION 9.05. EXPENSES; INDEMNITY. (a) The Borrower agrees to pay all out-of-pocket expenses incurred by the Agent in connection with the preparation of this Agreement and the other Loan Documents or in connection with any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions hereby contemplated shall be consummated) or incurred by the Agent or any Bank in connection with the enforcement or protection of their rights in connection with this Agreement and the other Loan Documents or in connection with the Loans made hereunder, including the reasonable fees, charges and disbursements of Simpson Thacher & Bartlett, counsel for the Agent, and, in connection with any such enforcement or protection, the reasonable fees, charges and disbursements of any other counsel for the Agent or any Bank. The Borrower further agrees that it shall indemnify the Banks from and hold them harmless against any documentary taxes, assessments or charges made by any Governmental Authority by reason of the execution and delivery of this Agreement or any of the other Loan Documents.

(b) The Borrower agrees to indemnify the Agent, each Bank and each of their respective directors, officers, employees and agents (each such person being called an "Indemnitee") against, and to hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including reasonable counsel fees, charges and disbursements, incurred by or asserted against any Indemnitee arising out of, in any way connected with, or as a result of (i)the execution or delivery of this Agreement or any other Loan Document or any agreement or instrument contemplated thereby, the performance by the parties thereto of their respective obligations thereunder or the consummation of the Transactions and the other transactions contemplated thereby, (ii)the use of the proceeds of the Loans or (iii)any claim, litigation, investigation or proceeding relating to any of the foregoing, whether or not any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be

available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from (A) in the case of the Agent or any Bank, any unexcused breach by the Agent or such Bank of any of its obligations under this Agreement or (b) the gross negligence or wilful misconduct of such Indemnitee.

(c) The provisions of this Section 9.05 shall remain operative and in full force and effect regardless of the expiration of the term of this Agreement, the consummation of the transactions contemplated hereby, the repayment of any of the Loans, the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document, or any investigation made by or on behalf of the Agent or any Bank. All amounts due under this Section 9.05 shall be payable on written demand therefor.

(d) Any Bank may at any time assign all or any portion of its rights under this Agreement to a Federal Reserve Bank; provided that no such assignment shall release a Bank from any of its obligations hereunder.

SECTION 9.06. RIGHTS OF SETOFF. If an Event of Default shall have occurred and be continuing, each Bank is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Bank to or for the credit or the account of the Borrower against any of and all the obligations of the Borrower now or hereafter existing under this Agreement and other Loan Documents held by such Bank, irrespective of whether or not such Bank shall have made any demand under this Agreement or such other Loan Document and although such obligations may be unmatured. The rights of each Bank under this Section are in addition to other rights and remedies (including other rights of Setoff) which such Bank may have.

SECTION 9.07. APPLICABLE LAW. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

SECTION 9.08. WAIVERS; AMENDMENT. (a) No failure or delay of the Agent or any Bank in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Agent and the Banks hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies which they would otherwise have. No waiver of any provision of this Agreement or any other Loan Document or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) below, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on the Borrower in any case shall entitle the Borrower to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower,

and the Required Banks; PROVIDED, however, that no such agreement shall (i) decrease the principal amount of, or extend the maturity of or any scheduled principal payment date or date for the payment of any interest on any Loan, or waive or excuse any such payment of or any part thereof, or decrease the rate of interest on any Loan, without the prior written consent of each Bank affected thereby, (ii)change or extend the Commitment or decrease the Facility Fees of any Bank without the prior written consent of such Bank, or (iii)amend or modify the provisions of Section 2.16, the provisions of this Section, or the definition of "Required Banks", without the prior written consent of each Bank; PROVIDED FURTHER that no such agreement shall amend, modify or otherwise affect the rights or duties of the Agent hereunder without the prior written consent of the Agent.

SECTION 9.09. INTEREST RATE LIMITATION. Notwithstanding anything herein to the contrary, if at any time the applicable interest rate, together with all fees and charges which are treated as interest under applicable law (collectively the "Charges"), as provided for herein or in any other document executed in connection herewith, or otherwise contracted for, charged, received, taken or reserved by any Bank, shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by such Bank in accordance with applicable law, the rate of interest payable hereunder, together with all Charges payable to such Bank, shall be limited to the Maximum Rate.

SECTION 9.10. ENTIRE AGREEMENT. This Agreement and the other Loan Documents constitute the entire contract between the parties relative to the subject matter hereof. Any previous agreement among the parties with respect to the subject matter hereof is superseded by this Agreement and the other Loan Documents. Nothing in this Agreement or in the other Loan Documents, expressed or implied, is intended to confer upon any party other than the parties hereto and thereto any rights, remedies, obligations or liabilities under or by reason of this Agreement or the other Loan Documents.

SECTION 9.11. WAIVER OF JURY TRIAL. Each party hereto hereby waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any litigation directly or indirectly arising out of, under or in connection with this Agreement or any of the other Loan Documents. Each party hereto (a) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (b) acknowledges that it and the other parties hereto have been induced to enter into this Agreement and the other Loan Documents, as applicable, by, among other things, the mutual waivers and certifications in this Section 9.11.

SECTION 9.12. SEVERABILITY. In the event any one or more of the provisions contained in this Agreement or in any other Loan Document should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby. The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible so that of the invalid, illegal or unenforceable provisions.

SECTION 9.13. COUNTERPARTS. This Agreement may be executed in two or more counterparts, each of which shall constitute an original but all of which when taken together shall constitute but one contract, and shall become effective as provided in Section 9.03.

SECTION 9.14. HEADINGS. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

SECTION 9.15. JURISDICTION; CONSENT TO SERVICE OF PROCESS. (a) The Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or the other Loan Documents, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdiction by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that any Bank may otherwise have to bring any action or proceeding relating to this Agreement or the other Loan Documents against the Borrower or its properties in the courts of any jurisdiction.

(b) The Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this agreement or the other Loan Documents in any New York State or Federal court. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.16. CONFIDENTIALITY. Each Bank agrees to keep confidential (and to cause its respective officers, directors, employees, agents and representatives to keep confidential) the Information (as defined below), except that any Bank shall be permitted to disclose Information (i)to such of its officers, directors, employees, agents and representatives (including outside counsel) as need to know such Information; (ii)to the extent required by applicable laws and regulations or by any subpoena or similar legal process, or requested by any bank regulatory authority (provided that such Bank shall, except (A) as prohibited by law and (B) for Information requested by any such bank regulatory authority, promptly notify Borrower of the circumstances and content of each such disclosure and shall request confidential treatment of any information so disclosed); (iii)to the extent such Information (A) becomes publicly available other than as a result of a breach of this Agreement, (B)becomes available to such Bank on a non-confidential basis from a source other than the Borrower or its Affiliates or (C)was available to such Bank on a non-confidential basis prior to its disclosure to such Bank by the

Borrower or its Affiliates; or (iv)to the extent the Borrower shall have consented to such disclosure in writing. As used in this Section 9.16, as to any Bank, "Information" shall mean any financial statements, materials, documents and other information that the Borrower or any of its Affiliates may have furnished or made available or may hereafter furnish or make available to the Agent or any Bank in connection with this Agreement or any other materials prepared by any such person from any of the foregoing.

IN WITNESS WHEREOF, the Borrower, the Agent and the Banks have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

THE E. W. SCRIPPS COMPANY, as Borrower,

By: /S/ E. JOHN WOLFZORN

Name: E. John Wolfzorn
Title: Treasurer

JPMORGAN CHASE BANK, individually and as Administrative Agent,

By: /S/ JAMES L. STONE

Name: James L. Stone
Title: Managing Director

J.P. MORGAN SECURITIES INC.

By: /S/ PATRICIA H. DEANS

Name: Patricia H. Deans
Title: Managing Director

SUNTRUST BANK

By: /S/ THOMAS C. PALMER

Name: Thomas C. Palmer
Title: Managing Director

KEYBANK NATIONAL ASSOCIATION

By: /S/ BRENDAN A. LAWLOR

Name: Brendan A. Lawlor
Title Vice President

MELLON BANK, N.A.

By: /S/ THOMAS J. TARASOVICH, JR.

Name: Thomas J. Tarasovich, Jr.
Title: Lending Officer

WACHOVIA BANK, N.A.

By: /S/ J. TIMOTHY TOLER

Name: J. Timothy Toler
Title: Director

US BANK N.A.

By: /S/ RICHARD W. NELTNER

Name: Richard W. Neltner
Title: Senior Vice President

FIFTH THIRD BANK

By: /S/ CHRISTINE L. WAGNER

Name: Christine L. Wagner
Title: Assistant Vice President

UNION BANK OF CALIFORNIA, N.A.

By: /S/ STENDER E. SWEENEY II

Name: Stender E. Sweeney II
Title: Vice President

MERRILL LYNCH BANK USA

By: /S/ D. KEVIN IMLAY

Name: D. Kevin Imlay
Title: Senior Credit Officer

WELLS FARGO BANK N.A.

By: /S/ CATHERINE M. JONES

Name: Catherine M. Jones
Title: Vice President

FIRST TENNESSEE BANK NATIONAL ASSOCIATION

By: /S/ JAMES H. ATCHLEY

Name: James H. Atchley
Title: Senior Vice President

PNC BANK, NATIONAL ASSOCIATION

By: /S/ BRUCE A. KINTNER

Name: Bruce A. Kintner
Title: Vice President

Exhibit 10.2

EXECUTION COPY

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5-YEAR COMPETITIVE ADVANCE AND REVOLVING CREDIT FACILITY AGREEMENT

Dated as of August 8, 2002

among

THE E.W. SCRIPPS COMPANY,

as Borrower,

THE BANKS NAMED HEREIN,

JPMORGAN CHASE BANK,

as Administrative Agent,

J.P. MORGAN SECURITIES INC.,

as Sole Advisor, Lead Arranger and Sole Bookrunner, and

WACHOVIA BANK, N.A., US BANK N.A., MELLON BANK, N.A., KEYBANK NATIONAL ASSOCIATION and SUNTRUST BANK,

as Co-Syndication Agents

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5-YEAR COMPETITIVE ADVANCE AND REVOLVING CREDIT FACILITY AGREEMENT dated as of August 8, 2002, among THE E.W. SCRIPPS COMPANY, an Ohio corporation (the "Borrower"), the banks listed in Schedule 2.01 (the "Banks"), JPMORGAN CHASE BANK, a New York banking corporation, as agent for the Banks (in such capacity, the "Agent").

The Borrower has requested the Banks to extend credit to the Borrower in order to enable it to borrow on a standby revolving credit basis on and after the date hereof and at any time and from time to time prior to the Maturity Date (as herein defined) a principal amount not in excess of $200,000,000 at any time outstanding. The Borrower has also requested the Banks to provide a procedure pursuant to which the Borrower may invite the Banks to bid on an uncommitted basis on short-term borrowings by the Borrower. The proceeds of such borrowings are to be used for general corporate purposes. The Banks are willing to extend such credit to the Borrower on the terms and subject to the conditions herein set forth.

Accordingly, the Borrower, the Banks and the Agent agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. DEFINED TERMS. As used in this Agreement, the following terms shall have the meanings specified below:

"ABR Borrowing" shall mean a Borrowing comprised of ABR Loans.

"ABR Loan" shall mean any Standby Loan bearing interest at a rate determined by reference to the Alternate Base Rate in accordance with the provisions of Article II.

"Administrative Fees" shall have the meaning assigned to such term in Section 2.06(b).

"Administrative Questionnaire" shall mean an Administrative Questionnaire in the form of Exhibit B hereto.

"Affiliate" shall mean, when used with respect to a specified person, another person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the person specified.

"Aggregate Commitments": at any time, the sum of the aggregate amount of the Commitments then in effect and the aggregate amount of the Commitments (as defined in the Other Agreement) then in effect.

"Alternate Base Rate" shall mean, for any day, a rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Base CD Rate in effect on such day plus 1% and (c) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%. For purposes hereof, "Prime Rate" shall

mean the rate of interest per annum publicly announced from time to time by the Agent as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective on the date such change is publicly announced as effective. "Base CD Rate" shall mean the sum of (a) the product of (i) the Three-Month Secondary CD Rate and (ii) Statutory Reserves and (b) the Assessment Rate. "Three-Month Secondary CD Rate" shall mean, for any day, the secondary market rate for three-month certificates of deposit reported as being in effect on such day (or, if such day shall not be a Business Day, the next preceding Business Day) by the Board through the public information telephone line of the Federal Reserve Bank of New York (which rate will, under the current practices of the Board, be published in Federal Reserve Statistical Release H.15(519) during the week following such day), or, if such rate shall not be so reported on such day or such next preceding Business Day, the average of the secondary market quotations for three-month certificates of deposit of major money center banks in New York City received at approximately 10:00 a.m., New York City time, on such day (or, if such day shall not be a Business Day, on the next preceding Business Day) by the Agent from three New York City negotiable certificate of deposit dealers of recognized standing selected by it. "Federal Funds Effective Rate" shall mean, for any day, the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of new York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for the day of such transactions received by the Agent from three Federal funds brokers of recognized standing selected by it. If for any reason the Agent shall have determined (which determination shall be conclusive absent manifest error) that it is unable to ascertain the Base CD Rate or the Federal Funds Effective Rate or both for any reason, including the inability or failure of the Agent to obtain sufficient quotations in accordance with the terms thereof, the Alternate Base Rate shall be determined without regard to clause (b) or (c), or both, of the first sentence of this definition, as appropriate, until the circumstances giving rise to such inability no longer exist. Any change in the Alternate Base Rate due to a change in the Prime Rate, the Three-Month Secondary CD Rate or the Federal Funds Effective Rate shall be effective on the effective date of such change in the Prime Rate, the Three-Month Secondary CD Rate or the Federal Funds Effective Rate, respectively.

"Applicable Percentage" shall mean on any date, with respect to the Facility Fee or the Loans comprising any Eurodollar Standby Borrowing, the applicable percentage set forth below based upon the ratings applicable on such date to the Borrower's implied or actual senior, unsecured, non-credit-enhanced long-term indebtedness for borrowed money (the "Index Debt"):

FEE AND SPREAD TABLE

	RATINGS (S&P/MOODY'S)	FACILITY FEE	LIBOR SPREAD
Category 1	A+/A1 or higher	0.0700%	0.1550%
Category 2	A/A2	0.0800%	0.1700%
Category 3	A-/A3	0.1000%	0.2000%
Category 4	BBB+/Baa1	0.1250%	0.3750%
Category 5	BBB/Baa2	0.1500%	0.4750%
Category 6	BBB-/Baa3 or lower	0.1750%	0.5750%

For purposes of the foregoing, (a) if no rating for the Index Debt shall be available from either Moody's or S&P (other than by reason of the circumstances referred to in the last sentence of this definition), each such rating agency shall be deemed to have established a rating in Category 4; (b) if only one of Moody's and S&P shall have in effect a rating for the Index Debt, the Applicable Percentage shall be determined by reference to the available rating; (c) if the ratings established or deemed to have been established by Moody's and S&P shall fall within different categories, the Applicable Percentage shall be based upon the superior (or numerically lower) category unless the ratings differ by more than one category, in which case the governing rating shall be the rating next below the higher of the two; and (d) if any rating established or deemed to have been established by Moody's or S&P shall be changed (other than as a result of a change in the rating system of either Moody's or S&P), such change shall be effective as of the date on which such change is first announced publicly by the rating agency making such change. Any change in the LIBOR spread due to a change in the applicable category shall be effective on the effective date of such change in the applicable category and shall apply to all Eurodollar Standby Loans that are outstanding at any time during the period commencing on the effective date of such change in the applicable category and ending on the date immediately preceding the effective date of the next such change in the applicable category. If the rating system of either Moody's or S&P shall change, the Borrower and the Banks shall negotiate in good faith to amend the references to specific ratings in this definition to reflect such changed rating system. If either Moody's or S&P shall cease to be in the business of rating corporate debt obligations, the Borrower and the Banks shall negotiate in good faith to agree upon a substitute rating agency and to amend the references to specific ratings in this definition to reflect the ratings used by such substitute rating agency and, pending such agreement, the Applicable Percentage shall be determined on the basis of the ratings provided by the other rating agency.

"Assessment Rate" shall mean for any date the annual rate (rounded upwards if necessary, to the next 1/100 of 1%) most recently estimated by the Agent as the then current net annual assessment rate that will be employed in determining amounts payable by the Agent to the Federal Deposit Insurance Corporation (or such successor) of time deposits made in dollars at the Agent's domestic offices.

"Assignment and Acceptance" shall mean an assignment and acceptance entered into by a Bank and an assignee, and accepted by the Agent, in the form of Exhibit C.

"Board" shall mean the Board of Governors of the Federal Reserve System of the United States.

"Borrowing" shall mean a group of Loans of a single Type made by the Banks (or, in the case of a Competitive Borrowing, by the Bank or Banks whose Competitive Bids have been accepted pursuant to Section 2.03) on a single date and as to which a single Interest Period is in effect.

"Business Day" shall mean any day (other than a day which is a Saturday, Sunday or legal holiday in the State of New York) on which banks are open for business in New York City; PROVIDED, HOWEVER, that, when used in connection with a Eurodollar Loan, the

term "Business Day" shall also exclude any day on which banks are not open for dealings in dollar deposits in the London interbank market.

"Capital Lease Obligations" of any person shall mean the obligations of such person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such person under GAAP and, for the purposes of this Agreement, the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with GAAP.

A "Change in Control" shall be deemed to have occurred if the Trust or the beneficiaries thereof shall not be the direct or indirect owner, beneficially and of record, of at least 51% of the issued and outstanding Common Voting Shares, $.01 par value per share, of the Borrower and any other common stock at any time issued by the Borrower, other than the Borrower's Class A Common Shares, $.01 per share.

"Closing Date" shall mean August 8, 2002.

"Code" shall mean the Internal Revenue Code of 1986, as the same may be amended from time to time.

"Commitment" shall mean, with respect to each Bank, the commitment of such Bank hereunder as set forth in Schedule 2.01 hereto, as such Bank's Commitment may be permanently terminated or reduced from time to time pursuant to Section 2.11. The Commitments shall automatically and permanently terminate on the Maturity Date.

"Competitive Bid" shall mean an offer by a Bank to make a Competitive Loan pursuant to Section 2.03.

"Competitive Bid Accept/Reject Letter" shall mean a notification made by the Borrower pursuant to Section 2.03(d) in the form of Exhibit A-4.

"Competitive Bid Rate" shall mean, as to any Competitive Bid made by a Bank pursuant to Section 2.03(b), (i) in the case of a Eurodollar Loan, the Margin, and (ii) in the case of a Fixed Rate Loan, the fixed rate of interest offered by the Bank making such Competitive Bid.

"Competitive Bid Request" shall mean a request made pursuant to Section 2.03 in the form of Exhibit A-1.

"Competitive Borrowing" shall mean a borrowing consisting of a Competitive Loan or concurrent Competitive Loans from the Bank or Banks whose Competitive Bids for such Borrowing have been accepted by the Borrower under the bidding procedure described in Section 2.03.

"Competitive Loan" shall mean a Loan from a Bank to the Borrower pursuant to the bidding procedure described in Section 2.03. Each Competitive Loan shall be a Eurodollar Competitive Loan or a Fixed Rate Loan.

"Consolidated Cash Flow" shall mean with respect to any person for any period the aggregate operating income of such person and its consolidated subsidiaries plus any depreciation and any amortization of intangibles arising from acquisitions that have been deduced in deriving such operating income, all computed and consolidated in accordance with GAAP.

"Consolidated Indebtedness" with respect to any person shall mean the aggregate Indebtedness of such person and its consolidated subsidiaries, consolidated in accordance with GAAP.

"Consolidated Interest Expense" with respect to any person shall mean for any period the aggregate interest expense of such person and its consolidated subsidiaries for such period, computed and consolidated in accordance with GAAP.

"Consolidated Net Income" with respect to any person shall mean for any period the aggregate net income (or net deficit) of such person and its consolidated subsidiaries for such period equal to gross revenues and other proper income less the aggregate for such person and its consolidated subsidiaries of (i) operating expenses, (ii) selling, administrative and general expenses, (iii) taxes, (iv) depreciation, depletion and amortization of properties and (v) any other items that are treated as expenses under GAAP but excluding from the definition of Consolidated Net Income any extraordinary gains or losses, all computed and consolidated in accordance with GAAP.

"Consolidated Stockholders' Equity" with respect to any person shall mean the aggregate Stockholders' Equity of such person and its consolidated subsidiaries, consolidated in accordance with GAAP.

"Control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person, whether through the ownership of voting securities, by contract or otherwise, and "Controlling" and "Controlled" shall have meanings correlative thereto.

"Default" shall mean any event or condition which upon notice, lapse of time or both would constitute an Event of Default.

"dollars" or "$" shall mean lawful money of the United States of America.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as the same may be amended from time to time.

"ERISA Affiliate" shall mean any trade or business (whether or not incorporated) that is a member of a group of which the Borrower is a member and which is treated as a single employer under Section 414 of the Code.

"Eurodollar Borrowing" shall mean a Borrowing comprised of Eurodollar Loans.

"Eurodollar Competitive Loan" shall mean any Competitive Loan bearing interest at a rate determined by reference to the LIBO Rate in accordance with the provisions of Article II.

"Eurodollar Loan" shall mean any Eurodollar Competitive Loan or Eurodollar Standby Loan.

"Eurodollar Standby Borrowing" shall mean a Borrowing comprised of Eurodollar Standby Loans.

"Eurodollar Standby Loan" shall mean any Standby Loan bearing interest at a rate determined by reference to the LIBO Rate in accordance with the provisions of Article II.

"Event of Default" shall have the meaning assigned to such term in Article VII.

"Existing Credit Agreement" shall mean the 5-Year Competitive Advance and Revolving Credit Facility Agreement dated as of September 26, 1997, as amended, among the Borrower, the banks named therein and JPMorgan Chase Bank, successor by merger to the Chase Manhattan Bank, as agent.

"Facility Fee" shall have the meaning assigned to such term in Section 2.06(a).

"Fee Letter" shall mean the letter agreement dated July 2, 2002, between the Borrower and the Agent, providing for the payment of certain fees or other amounts in connection with the credit facilities established by this Agreement.

"Fees" shall mean the Facility Fee and the Administrative Fees.

"Financial Officer" of any corporation shall mean the chief financial officer, principal accounting officer, Treasurer, Assistant Treasurer or Controller of such corporation.

"Fixed Rate Borrowing" shall mean a Borrowing comprised of Fixed Rate Loans.

"Fixed Rate Loan" shall mean any Competitive Loan bearing interest at a fixed percentage rate per annum (expressed in the form of a decimal to no more than four decimal places) specified by the Bank making such Loan in its Competitive Bid.

"GAAP" shall mean generally accepted accounting principles, applied on a consistent basis.

"Governmental Authority" shall mean any Federal, state, local or foreign court or governmental agency, authority, instrumentality or regulatory body.

"Guarantee" of or by any person shall mean any obligation, contingent or otherwise, of such person guaranteeing or having the economic effect of guaranteeing any Indebtedness of any other person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of such person, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or to purchase (or

to advance or supply funds for the purchase of) any security for the payment of such Indebtedness, (b) to purchase property, securities or services for the purpose of assuring the owner of such Indebtedness of the payment of such Indebtedness or (c) to maintain working capital, equity capital or other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness; PROVIDED, HOWEVER, that the term Guarantee shall not include endorsements for collection or deposit, in either case in the ordinary course of business.

"Indebtedness" of any person shall mean, without duplication, (a) all obligations of such person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such person under conditional sale or other title retention agreements relating to property or assets purchased by such person, (d) all obligations of such person issued or assumed as the deferred purchase price of property or services, (e) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such person, whether or not the obligations secured thereby have been assumed, (f) all Guarantees by such person of Indebtedness of others, (g) all Capital Lease Obligations of such person, (h) all obligations of such person in respect of interest rate protection agreements, foreign currency exchange agreements or other interest or exchange rate hedging arrangements, in such amount which exceeds $15,000,000 at any time and (i) all obligations of such person as an account party in respect of letters of credit and bankers' acceptances; PROVIDED that the definition of Indebtedness shall not include (i) accounts payable to suppliers and (ii) programming rights, in each case incurred in the ordinary course of business and not overdue. The Indebtedness of any person shall include the recourse Indebtedness of any partnership in which such person is a general partner. For purposes of this Agreement, the amount of any Indebtedness referred to in clause (h) of the preceding sentence shall be amounts, including any termination payments, required to be paid to a counterparty after giving effect to any contractual netting arrangements, and not any notional amount with regard to which payments may be calculated.

"Interest Payment Date" shall mean, with respect to any Loan, the last day of the Interest Period applicable thereto and, in the case of a Eurodollar Loan with an Interest Period of more than three months' duration or a Fixed Rate Loan with an Interest Period of more than 90 days' duration, each day that would have been an Interest Payment Date for such Loan had successive Interest Periods of three months' duration or 90 days' duration, as the case may be, been applicable to such Loan and, in addition, the date of any refinancing or conversion of such Loan with or to a Loan of a different Type.

"Interest Period" shall mean (a) as to any Eurodollar Borrowing, the period commencing on the date of such Borrowing or on the last day of the immediately preceding Interest Period applicable to such Borrowing, as the case may be, and ending on the numerically corresponding day (or, if there is no numerically corresponding day, on the last day) in the calendar month that is 1, 2, 3 or 6 months (or, if agreed to by all Banks, 9 or 12 months) thereafter, as the Borrower may elect, (b) as to any ABR Borrowing, the period commencing on the date of such Borrowing and ending on the date 90 days thereafter or, if earlier, on the Maturity Date or the date of prepayment of such Borrowing and (c) as to any Fixed Rate Borrowing, the period commencing on the date of such Borrowing and ending on the date

specified in the Competitive Bids in which the offer to make the Fixed Rate Loans comprising such Borrowing were extended, which shall not be earlier than seven days after the date of such Borrowing or later than 360 days after the date of such Borrowing; PROVIDED, HOWEVER, that if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of Eurodollar Loans only, such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day. Interest shall accrue from and including the first day of an Interest Period to but excluding the last day of such Interest Period.

"LIBO Rate" shall mean, with respect to any Eurodollar Borrowing for any Interest Period, the rate appearing on Page 3750 of the Telerate Service (or on any successor or substitute page of such Service, or any successor to or substitute for such Service, providing rate quotations comparable to those currently provided on such page of such Service, as reasonably determined by the Agent from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, as the rate for dollar deposits with a maturity comparable to such Interest Period. In the event that such rate is not available at such time for any reason, then the "LIBO RATE" with respect to such Eurodollar Borrowing for such Interest Period shall be the rate at which dollar deposits of $5,000,000 and for a maturity comparable to such Interest Period are offered by the principal London office of the Agent in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period.

"Lien" shall mean, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, encumbrance, charge or security interest in or on such asset or (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement relating to such asset.

"Loan" shall mean a Competitive Loan or a Standby Loan, whether made as a Eurodollar Loan, an ABR Loan or a Fixed Rate Loan, as permitted hereby.

"Loan Documents" shall mean this Agreement and the Fee Letter.

"Margin" shall mean, as to any Eurodollar Competitive Loan, the margin (expressed as a percentage rate per annum in the form of a decimal to no more than four decimal places) to be added to or subtracted from the LIBO Rate in order to determine the interest rate applicable to such Loan, as specified in the Competitive Bid relating to such Loan.

"Margin Stock" shall have the meaning given such term under Regulation U.

"Material Adverse Effect" shall mean (a) a materially adverse effect on the business, assets, operations, or condition, financial or otherwise, of the Borrower and its Subsidiaries taken as a whole, (b) material impairment of the ability of the Borrower or any Subsidiary to perform any of its obligations under any Loan Document to which it is or will be a party or (c) material impairment of the rights of or benefits expressly available to the Banks under any Loan Document.

"Maturity Date" shall mean August 8, 2007.

"Multiemployer Plan" shall mean a multiemployer plan as defined in Section 4001(a)(3) of ERISA to which the Borrower or any ERISA Affiliate (other than one considered an ERISA Affiliate only pursuant to subsection (m) or (o) of Code Section 414) is making or accruing an obligation to make contributions, or has within any of the preceding five plan years made or accrued an obligation to make contributions.

"Other Agreement" shall mean the 364-Day Competitive Advance and Revolving Credit Facility Agreement, dated as of the date hereof, among the Borrower, the banks named therein, JPMorgan Chase Bank, as administrative agent, and J.P. Morgan Securities Inc.

"Participant" shall have the meaning set forth in Section 9.04.

"PBGC" shall mean the Pension Benefit Guaranty Corporation referred to and defined in ERISA.

"person" shall mean any natural person, corporation, business trust, joint venture, association, company, partnership or government, or any agency or political subdivision thereof.

"Plan" shall mean any pension plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code and which is maintained for employees of the Borrower or any ERISA Affiliate.

"Rate" shall include the LIBO Rate, the Alternate Base Rate and the Fixed Rate.

"Register" shall have the meaning given such term in Section 9.04(b)(iv).

"Regulation D" shall mean Regulation D of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"Regulation U" shall mean Regulation U of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"Regulation X" shall mean Regulation X of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"Related Parties" shall mean, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

"Reportable Event" shall mean any reportable event as defined in Section 4043(b) of ERISA or the regulations issued thereunder with respect to a Plan (other than a Plan maintained by an ERISA Affiliate that is considered an ERISA Affiliate only pursuant to subsection (m) or (o) of Code Section 414).

"Required Banks" shall mean, at any time, Banks having Commitments representing at least 51% of the Total Commitment or, for purposes of acceleration pursuant to

clause (ii) of Article VII, Banks holding Loans representing at least 51% of the aggregate principal amount of the Loans outstanding.

"Responsible Officer" of any corporation shall mean any executive officer or Financial Officer of such corporation and any other officer or similar official thereof responsible for the administration of the obligations of such corporation in respect of this Agreement.

"Standby Borrowing" shall mean a borrowing consisting of simultaneous Standby Loans from each of the Banks.

"Standby Borrowing Request" shall mean a request made pursuant to Section 2.04 in the form of Exhibit A-5.

"Standby Loans" shall mean the revolving loans made by the Banks to the Borrower pursuant to Section 2.04. Each Standby Loan shall be a Eurodollar Standby Loan or an ABR Loan.

"Statutory Reserves" shall mean a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board and any other banking authority to which the Agent is subject for new negotiable nonpersonal time deposits in dollars of over $100,000 with maturities approximately equal to the applicable Interest Period. Statutory Reserves shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"Stockholders' Equity" shall mean, for any corporation, the consolidated total stockholders' equity of such corporation determined in accordance with GAAP, consistently applied.

"subsidiary" shall mean, with respect to any person (herein referred to as the "parent"), any corporation, partnership, association or other business entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or more than 50% of the general partnership interests are, at the time any determination is being made, owned, controlled or held, or (b) which is, at the time any determination is made, otherwise Controlled by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

"Subsidiary" shall mean any subsidiary of the Borrower.

"Total Commitment" shall mean at any time the aggregate amount of the Banks' Commitments, as in effect at such time.

"Transactions" shall have the meaning assigned to such term in Section 3.02.

"Trust" shall mean The Edward W. Scripps Trust, being that certain trust for the benefit of descendants of Edward W. Scripps and owning shares of capital stock of the Borrower.

"Type", when used in respect of any Loan or Borrowing, shall refer to the Rate by reference to which interest on such Loan or on the Loans comprising such Borrowing is determined.

"Utilization Fee" shall have the meaning assigned to such term in Section 2.06(c).

"Withdrawal Liability" shall mean liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

Section 1.02. TERMS GENERALLY. The definitions in Section 1.01 shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". All references herein to Articles, Sections, Exhibits and Schedules shall be deemed references to Articles and Sections of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; PROVIDED, HOWEVER, that, for purposes of determining compliance with any covenant set forth in Article VI, such terms shall be construed in accordance with GAAP as in effect on the date of this Agreement applied on a basis consistent with the application used in preparing the Borrower's audited financial statements referred to in Section 3.05.

ARTICLE II

THE CREDITS

Section 2.01. COMMITMENTS. Subject to the terms and conditions and relying upon the representations and warranties herein set forth, each Bank agrees, severally and not jointly, to make Standby Loans to the Borrower, at any time and from time to time on and after the date hereof and until the earlier of the Maturity Date and the termination of the Commitment of such Bank as provided in this Agreement, in an aggregate principal amount at any time outstanding not to exceed such Bank's Commitment minus the amount by which the Competitive Loans outstanding at such time shall be deemed to have used such Commitment pursuant to Section 2.16, subject, however, to the conditions that (a) at no time shall (i) the sum of (x) the outstanding aggregate principal amount of all Standby Loans made by all Banks plus (y) the outstanding aggregate principal amount of all Competitive Loans made by all Banks exceed (ii) the Total Commitment and (b) at all times the outstanding aggregate principal amount of all Standby Loans made by each Bank shall equal the product of (i) the percentage which its Commitment represents of the Total Commitment times (ii) the outstanding aggregate principal amount of all Standby Loans made pursuant to Section 2.04. Each Bank's Commitment is set forth opposite its respective name in Schedule 2.01. Such Commitments may be terminated or reduced from time to time pursuant to Section 2.11.

Within the foregoing limits, the Borrower may borrow, pay or repay and reborrow hereunder, on and after the Closing Date and prior to the Maturity Date, subject to the terms, conditions and limitations set forth herein.

Section 2.02. LOANS. (a) Each Standby Loan shall be made as part of a Borrowing consisting of Loans made by the Banks ratably in accordance with their Commitments; provided, however, that the failure of any Bank to make any Standby Loan shall not in itself relieve any other Bank of its obligation to lend hereunder (it being understood, however, that no Bank shall be responsible for the failure of any other Bank to make any Loan required to be made by such other Bank). Each Competitive Loan shall be made in accordance with the procedures set forth in Section 2.03. The Standby Loans or Competitive Loans comprising any Borrowing shall be (i) in the case of Competitive Loans, in an aggregate principal amount which is an integral multiple of $1,000,000 and not less than $5,000,000 and (ii) in the case of Standby Loans, in an aggregate principal amount which is an integral multiple of $1,000,000 and not less than $10,000,000 in the case of Eurodollar Standby Loans and $5,000,000 in the case of ABR Loans (or an aggregate principal amount equal to the remaining balance of the available Commitments).

(b) Each Competitive Borrowing shall be comprised entirely of Eurodollar Competitive Loans or Fixed Rate Loans, and each Standby Borrowing shall be comprised entirely of Eurodollar Standby Loans or ABR Loans, as the Borrower may request pursuant to Section 2.03 or 2.04, as applicable. Each Bank may at its option make any Eurodollar Loan by causing any domestic or foreign branch or Affiliate of such Bank to make such Loan; PROVIDED that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement. Borrowings of more than one Type may be outstanding at the same time; PROVIDED, HOWEVER, that the Borrower shall not be entitled to request any Borrowing which, if made, would result in an aggregate of more than five separate Standby Loans of any Bank being outstanding hereunder at any one time. For purposes of the foregoing, Loans having different Interest Periods, regardless of whether they commence on the same date, shall be considered separate Loans.

(c) Subject to Section 2.05, each Bank shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds to the Agent in New York, New York, not later than 12:00 noon, New York City time, and the Agent shall by 3:00 p.m., New York City time, wire transfer the amounts so received to the general deposit account of the Borrower at Mellon Bank (or other general deposit account designated by the Borrower in writing) or, if a Borrowing shall not occur on such date because any condition precedent herein specified shall not have been met, return the amounts so received to the respective Banks. Competitive Loans shall be made by the Bank or Banks whose Competitive Bids therefor are accepted pursuant to Section 2.03 in the amounts so accepted and Standby Loans shall be made by the Banks pro rata in accordance with Section 2.16. Unless the Agent shall have received notice from a Bank prior to the date of any Borrowing that such Bank will not make available to the Agent such Bank's portion of such Borrowing, the Agent may assume that such Bank has made such portion available to the Agent on the date of such Borrowing in accordance with this paragraph (c) and the Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent that such Bank shall not have made such portion available to the Agent, such Bank and the Borrower severally agree (without duplication) to repay to the Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Agent at (i) in the case of the Borrower, the interest rate applicable at the time to the Loans comprising such Borrowing

and (ii) in the case of such Bank, the Federal Funds Effective Rate. If such Bank shall repay to the Agent such corresponding amount, such amount shall constitute such Bank's Loan as part of such Borrowing for purposes of this Agreement.

(d) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

Section 2.03. COMPETITIVE BID PROCEDURE. (a) In order to request Competitive Bids, the Borrower shall hand deliver or telecopy to the Agent a duly completed Competitive Bid Request in the form of Exhibit A-1 hereto, to be received by the Agent (i) in the case of a Eurodollar Competitive Borrowing, not later than 10:00 a.m., New York City time, four Business Days before a proposed Competitive Borrowing and (ii) in the case of a Fixed Rate Borrowing, not later than 10:00 a.m., New York City time, one Business Day before a proposed Competitive Borrowing. No ABR Loan shall be requested in, or made pursuant to, a Competitive Bid Request. A Competitive Bid Request that does not conform substantially to the format of Exhibit A-1 may be rejected in the Agent's sole discretion, and the Agent shall as soon as practicable notify the Borrower of such rejection by telecopier. Such request shall in each case refer to this Agreement and specify (x) whether the Borrowing then being requested is to be a Eurodollar Borrowing or a Fixed Rate Borrowing, (y) the date of such Borrowing (which shall be a Business Day) and the aggregate principal amount thereof which shall be in a minimum principal amount of $5,000,000 and in an integral multiple of $1,000,000, and (z) the Interest Period with respect thereto (which may not end after the Maturity Date). As soon as practicable after its receipt of a Competitive Bid Request that is not rejected as aforesaid, the Agent shall invite by telecopier (in the form set forth in Exhibit A-2 hereto) the Banks to bid, on the terms and conditions of this Agreement, to make Competitive Loans pursuant to the Competitive Bid Request.

(b) Each Bank may, in its sole discretion, make one or more Competitive Bids to the Borrower responsive to a Competitive Bid Request. Each Competitive Bid by a Bank must be received by the Agent via telecopier, in the form of Exhibit A-3 hereto, (i) in the case of a Eurodollar Competitive Borrowing, not later than 9:30 a.m., New York City time, three Business Days before a proposed Competitive Borrowing and (ii) in the case of a Fixed Rate Borrowing, not later than 9:30 a.m., New York City time, on the day of a proposed Competitive Borrowing. Multiple bids will be accepted by the Agent. Competitive Bids that do not conform substantially to the format of Exhibit A-3 may be rejected by the Agent after conferring with, and upon the instruction of, the Borrower, such conference between the Agent and the Borrower to occur as soon as practicable following the receipt by the Agent of such Competitive Bid, and the Agent shall notify the Bank making such nonconforming bid of such rejection as soon as practicable. Each Competitive Bid shall refer to this Agreement and specify (x) the principal amount (which shall be in a minimum principal amount of $5,000,000 and in an integral multiple of $1,000,000 and which may equal the entire principal amount of the Competitive Borrowing requested by the Borrower) of the Competitive Loan or Loans that the Bank is willing to make to the Borrower, (y) the Competitive Bid Rate or Rates at which the Bank is prepared to make the Competitive Loan or Loans and (z) the Interest Period and the last day thereof. If any Bank shall elect not to make a Competitive Bid, such Bank shall so notify the Agent via telecopier (I) in the case of Eurodollar Competitive Loans, not later than 9:30 a.m., New York City time, three Business

Days before a proposed Competitive Borrowing, and (II) in the case of Fixed Rate Loans, not later than 9:30 a.m., New York City time, on the day of a proposed Competitive Borrowing; PROVIDED, HOWEVER, that failure by any Bank to give such notice shall not cause such Bank to be obligated to make any Competitive Loan as part of such Competitive Borrowing. A Competitive Bid submitted by a Bank pursuant to this paragraph (b) shall be irrevocable.

(c) The Agent shall as soon as practicable notify the Borrower by telecopier (i) in the case of Eurodollar Competitive Loans, not later than 10:00 a.m., New York City time, three Business Days before a proposed Competitive Borrowing, and (ii) in the case of Fixed Rate Loans, not later than 10:00 a.m., New York City time, on the day of a proposed Competitive Borrowing, of all the Competitive Bids made, the Competitive Bid Rate and the principal amount of each Competitive Loan in respect of which a Competitive Bid was made and the identity of the Bank that made each bid. The Agent shall send a copy of all Competitive Bids to the Borrower for its records as soon as practicable after completion of the bidding process set forth in this Section 2.03.

(d) The Borrower may in its sole and absolute discretion, subject only to the provisions of this paragraph (d), accept or reject any Competitive Bid referred to in paragraph (c) above. The Borrower shall notify the Agent by telephone, confirmed by telecopier in the form of a Competitive Bid Accept/Reject Letter in the form of Exhibit A-4, whether and to what extent it has decided to accept or reject any of or all the bids referred to in paragraph (c) above, (x) in the case of a Eurodollar Competitive Borrowing, not later than 10:00 a.m., New York City time, three Business Days before a proposed Competitive Borrowing, and (y) in the case of a Fixed Rate Borrowing, not later than 10:00 a.m., New York City time, on the day of a proposed Competitive Borrowing; PROVIDED, HOWEVER, that (i) the failure by the Borrower to give such notice shall be deemed to be a rejection of all the bids referred to in paragraph (c) above, (ii) the Borrower shall not accept a bid made at a particular Competitive Bid Rate if the Borrower has decided to reject an unrestricted bid made at a lower Competitive Bid Rate, (iii) the aggregate amount of the Competitive Bids accepted by the Borrower shall not exceed the principal amount specified in the Competitive Bid Request, (iv) if the Borrower shall accept a bid or bids made at a particular Competitive Bid Rate but the amount of such bid or bids shall cause the total amount of bids to be accepted by the Borrower to exceed the amount specified in the Competitive Bid Request, then the Borrower shall accept a portion of such bid or bids in an amount equal to the amount specified in the Competitive Bid Request less the amount of all other Competitive Bids accepted with respect to such Competitive Bid Request, which acceptance, in the case of multiple bids at such Competitive Bid Rate, shall be made pro rata in accordance with the amount of each such bid at such Competitive Bid Rate, and (v) except pursuant to clause (iv) above, no bid shall be accepted for a Competitive Loan unless such Competitive Loan is in a minimum principal amount of $5,000,000 and an integral multiple of $1,000,000; PROVIDED, FURTHER, HOWEVER, that if a Competitive Loan must be in an amount less than $5,000,000 because of the provisions of clause (iv) above, such Competitive Loan may be for a minimum of $1,000,000 or any integral multiple thereof, and in calculating the pro rata allocation of acceptances of portions of multiple bids at a particular Competitive Bid Rate pursuant to clause (iv) the amounts shall be rounded to integral multiples of $1,000,000 in a manner which shall be in the discretion of the Borrower. A notice given by the Borrower pursuant to this paragraph (d) shall be irrevocable.

(e) The Agent shall promptly notify each bidding Bank (i) in the case of Eurodollar Competitive Loans, not later than 11:00 a.m., New York City time, three Business Days before a proposed Competitive Borrowing, and (ii) in the case of Fixed Rate Loans, not later than 11:00 a.m., New York City time, on the day of a proposed Competitive Borrowing, whether or not its Competitive Bid has been accepted (and if so, in what amount and at what Competitive Bid Rate) by telecopy sent by the Agent, and each successful bidder will thereupon become bound, subject to the other applicable conditions hereof, to make the Competitive Loan in respect of which its bid has been accepted.

(f) A Competitive Bid Request shall not be made within five Business Days after the date of any previous Competitive Bid Request.

(g) If the Agent shall elect to submit a Competitive Bid in its capacity as a Bank, it shall submit such bid directly to the Borrower one quarter of an hour earlier than the latest time at which the other Banks are required to submit their bids to the Agent pursuant to paragraph (b) above.

(h) All Notices required by this Section 2.03 shall be given in accordance with Section 9.01.

Section 2.04. STANDBY BORROWING PROCEDURE. In order to request a Standby Borrowing, the Borrower shall hand deliver or telecopy to the Agent in the form of Exhibit A-5 (a) in the case of a Eurodollar Standby Borrowing, not later than 10:00 a.m., New York City time, three Business Days before a proposed borrowing and (b) in the case of an ABR Borrowing, not later than 10:00 a.m., New York City time, on the day of a proposed borrowing. No Fixed Rate Loan shall be requested or made pursuant to a Standby Borrowing Request. Such notice shall be irrevocable and shall in each case specify (i) whether the Borrowing then being requested is to be a Eurodollar Standby Borrowing or an ABR Borrowing; (ii) the date of such Standby Borrowing (which shall be a Business Day) and the amount thereof; and (iii) if such Borrowing is to be a Eurodollar Standby Borrowing, the Interest Period with respect thereto. If no election as to the Type of Standby Borrowing is specified in any such notice, then the requested Standby Borrowing shall be an ABR Borrowing. If no Interest Period with respect to any Eurodollar Standby Borrowing is specified in such notice, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. If the Borrower shall not have given notice in accordance with this Section 2.04 of its election to refinance a Standby Borrowing prior to the end of the Interest Period in effect for such Borrowing, then the Borrower shall (unless such Borrowing is repaid at the end of such Interest Period) be deemed to have given notice of an election to refinance such Borrowing with an ABR Borrowing. The Agent shall promptly advise the Banks of any notice given pursuant to this Section 2.04 and of each Bank's portion of the requested Borrowing.

Section 2.05. REFINANCINGS. The Borrower may refinance all or any part of any Borrowing with a Borrowing of the same or a different Type made pursuant to Section 2.03 or Section 2.04, subject to the conditions and limitations set forth herein and elsewhere in this Agreement, including refinancings of Competitive Borrowings with Standby Borrowings and Standby Borrowings with Competitive Borrowings. Any Borrowing or part thereof so refinanced shall be repaid in accordance with Section 2.07 with the proceeds of a new Borrowing

hereunder and the proceeds of the new Borrowing shall be paid by the Banks to the Agent or by the Agent to the Borrower pursuant to Section 2.02(c); PROVIDED, HOWEVER, that (i) if the principal amount extended by a Bank in a refinancing is greater than the principal amount extended by such Bank in the Borrowing being refinanced, then such Bank shall pay such difference to the Agent for distribution to the Banks described in (ii) below, (ii) if the principal amount extended by a Bank in the Borrowing being refinanced is greater than the principal amount being extended by such Bank in the refinancing, the Agent shall return the difference to such Bank out of amounts received pursuant to (i) above, and (iii) to the extent any Bank fails to pay the Agent amounts due from it pursuant to (i) above, any Loan or portion thereof being refinanced with such amounts shall not be deemed repaid in accordance with Section 2.07 and shall be payable by the Borrower.

Section 2.06. FEES. (a) The Borrower agrees to pay to each Bank, through the Agent, on each March 31, June 30, September 30 and December 31 and on the date on which the Commitment of such Bank shall be terminated as provided herein, a facility fee (a "Facility Fee") at a rate per annum equal to the Applicable Percentage from time to time in effect, on the amount of the Commitment of such Bank, whether used or unused, during the preceding quarter (or shorter period commencing with the date hereof or ending with the Maturity Date or any date on which the Commitment of such Bank shall be terminated as provided in this Agreement). All Facility Fees shall be computed on the basis of the actual number of days elapsed in a year of 360 days. The Facility Fee due to each Bank shall commence to accrue on the date hereof and shall cease to accrue on the earlier of the Maturity Date and the termination of the Commitment of such Bank as provided herein.

(b) The Borrower agrees to pay the Agent, for its own account, the fees (the "Administrative Fees") at the times and in the amounts agreed upon in the Fee Letter.

(c) The Borrower agrees to pay, in immediately available funds, to the Agent for the account of each Bank a fee (the "UTILIZATION FEE") based upon the average daily amount of the outstanding Standby Loans of such Bank at a rate per annum equal to 0.10%, when and for as long as the aggregate outstanding principal amount of the sum of (a) the Standby Loans hereunder plus (b) the aggregate principal amount of the Standby Loans (as defined therein) under the Other Agreement exceeds 25% of (i) until the Availability Termination Date (as defined therein) of the Other Agreement, the Aggregate Commitments, (ii) from the Availability Termination Date (as defined therein) of the Other Agreement through the Maturity Date (as defined therein) of the Other Agreement and the payment in full of all Standby Loans (as defined therein), the aggregate amount of the Commitments hereunder plus the aggregate amount of the Commitments (as defined therein) under the Other Agreement in effect immediately prior to the Availability Termination Date (as defined therein) of the Other Agreement and (iii) after the Maturity Date (as defined therein) of the Other Agreement and the payment in full of all Standby Loans (as defined therein), the aggregate amount of the Commitments hereunder. The Utilization Fee shall be payable quarterly in arrears on the last day of each March, June, September and December, commencing on the first of such dates to occur after the date hereof, and on the Maturity Date (or such earlier date on which the Commitments shall terminate and the Loans and all interest, fees and other amounts in respect thereof shall have been paid in full).

(d) All Fees shall be paid on the date due, in immediately available funds, to the Agent for distribution, if and as appropriate, among the Banks.

Section 2.07. REPAYMENT OF LOANS; EVIDENCE OF DEBT. (a) The Borrower hereby unconditionally promises to pay (i) to the Agent for the account of each Bank the then unpaid principal amount of each Standby Loan on the Maturity Date and (ii) to the Agent for the account of each applicable Bank the then unpaid principal amount of each Competitive Loan on the last day of the Interest Period applicable to such Loan.

(b) Each Bank shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Bank resulting from each Loan made by such Bank, including the amounts of principal and interest payable and paid to such Bank from time to time hereunder.

(c) The Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, whether such Loan is a Standby Loan or a Competitive Loan, and the Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Bank hereunder and (iii) the amount of any sum received by the Agent hereunder for the account of the Banks and each Bank's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraphs (b) and (c) of this Section shall be PRIMA FACIE evidence of the existence and amounts of the obligations recorded therein; PROVIDED that the failure of any Bank or the Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

(e) Any Bank may request that Loans made by it be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Bank a promissory note payable to the order of such Bank (or, if requested by such Bank, to such Bank and its registered assigns) and in a usual and customary form for such Type approved by the Agent in its reasonable discretion.

Section 2.08. INTEREST ON LOANS. (a) Subject to the provisions of Section 2.09, the Loans comprising each Eurodollar Borrowing shall bear interest (computed on the basis of the actual number of days elapsed over a year of 360 days) at a rate per annum equal to (i) in the case of each Eurodollar Standby Loan, the LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Percentage, and (ii) in the case of each Eurodollar Competitive Loan, the LIBO Rate for the Interest Period in effect for such Borrowing plus the Margin offered by the Bank making such Loan and accepted by the Borrower pursuant to Section 2.03.

(b) Subject to the provisions of Section 2.09, the Loans comprising each ABR Borrowing shall bear interest (computed on the basis of the actual number of days elapsed over a year of 365 or 366 days, as the case may be, when determined by reference to the Prime Rate and over a year of 360 days at all other times) at a rate per annum equal to the Alternate Base Rate.

(c) Subject to the provisions of Section 2.09, each Fixed Rate Loan shall bear interest at a rate per annum (computed on the basis of the actual number of days elapsed over a

year of 360 days) equal to the fixed rate of interest offered by the Bank making such Loan and accepted by the Borrower pursuant to Section 2.03.

(d) Interest on each Loan shall be payable on each Interest Payment Date applicable to such Loan. The LIBO Rate or the Alternate Base Rate for each Interest Period or day within an Interest Period shall be determined by the Agent, and such determination shall be conclusive absent manifest error.

Section 2.09. DEFAULT INTEREST. If the Borrower shall default in the payment of the principal of or interest on any Loan or any other amount becoming due hereunder, whether by scheduled maturity, notice of prepayment, acceleration or otherwise, the Borrower shall on demand from time to time from the Agent pay interest, to the extent permitted by law, on such defaulted amount up to (but not including) the date of actual payment (after as well as before judgment) at a rate per annum (computed as provided in Section 2.08(b)) equal to the Alternate Base Rate plus 1%.

Section 2.10. ALTERNATE RATE OF INTEREST. In the event, and on each occasion, that on the day two Business Days prior to the commencement of any Interest Period for a Eurodollar Borrowing the Agent shall have determined that dollar deposits in the principal amounts of the Eurodollar Loans comprising such Borrowing are not generally available in the London interbank market, or that the rates at which such dollar deposits are being offered will not adequately and fairly reflect the cost to any Bank of making or maintaining its Eurodollar Loan during such Interest Period, or that reasonable means do not exist for ascertaining the LIBO Rate, the Agent shall, as soon as practicable thereafter, give written or telecopy notice of such determination to the Borrower and the Banks. In the event of any such determination, until the Agent shall have advised the Borrower and the Banks that the circumstances giving rise to such notice no longer exist, (i) any request by the Borrower for a Eurodollar Competitive Borrowing pursuant to Section 2.03 shall be of no force and effect and shall be denied by the Agent and (ii) any request by the Borrower for a Eurodollar Standby Borrowing pursuant to Section 2.04 shall be deemed to be a request for an ABR Borrowing. Each determination by the Agent hereunder shall be conclusive absent manifest error.

Section 2.11. TERMINATION AND REDUCTION OF COMMITMENTS. (a) The Commitments shall be automatically terminated on the Maturity Date.

(b) Upon at least three Business Days' prior irrevocable written or telecopy notice to the Agent, the Borrower may at any time in whole permanently terminate, or from time to time in part permanently reduce, the Total Commitment; PROVIDED, HOWEVER, that (i) each partial reduction of the Total Commitment shall be in an integral multiple of $5,000,000 and in a minimum principal amount of $5,000,000 and (ii) no such termination or reduction shall be made which would reduce the Total Commitment to an amount less than the aggregate outstanding principal amount of the Loans.

(c) Each reduction in the Total Commitment hereunder shall be made ratably among the Banks in accordance with their respective Commitments. The Borrower shall pay to the Agent for the account of the Banks, on the date of each termination or reduction, the Facility

Fees on the amount of the Commitments so terminated or reduced accrued to the date of such termination or reduction.

Section 2.12. PREPAYMENT. (a) The Borrower shall have the right at any time and from time to time to prepay any Standby Borrowing, in whole or in part, upon giving written or telecopy notice (or telephone notice promptly confirmed by written or telecopy notice) to the Agent: (i) before 10:00 a.m., New York City time, three Business Days prior to prepayment, in the case of Eurodollar Loans and (ii) before 10:00 a.m., New York City time, one Business Day prior to prepayment, in the case of ABR Loans; PROVIDED, HOWEVER, that each partial prepayment shall be in an amount which is an integral multiple of $1,000,000 and not less than $10,000,000. The Borrower shall not have the right to prepay any Competitive Borrowing.

(b) On the date of any termination or reduction of the Commitments pursuant to Section 2.11, the Borrower shall pay or prepay so much of the Standby Borrowings as shall be necessary in order that the aggregate principal amount of the Competitive Loans and Standby Loans outstanding will not exceed the Total Commitment after giving effect to such termination or reduction.

(c) Each notice of prepayment shall specify the prepayment date and the principal amount of each Borrowing (or portion thereof) to be prepaid, shall be irrevocable and shall commit the Borrower to prepay such Borrowing (or portion thereof) by the amount stated therein on the date stated therein. All prepayments under this Section 2.12 shall be subject to Section 2.15 but otherwise without premium or penalty. All prepayments under this Section 2.12 shall be accomplished by accrued interest on the principal amount being prepaid to the date of payment.

Section 2.13. RESERVE REQUIREMENTS; CHANGE IN CIRCUMSTANCES. (a) Notwithstanding any other provision herein, if after the date of this Agreement any change in applicable law or regulation or in the interpretation or administration thereof by any governmental authority charged with the interpretation or administration thereof (whether or not having the force of law) shall change the basis of taxation of payments to any Bank of the principal of or interest on any Eurodollar Loan or Fixed Rate Loan made by such Bank or any Fees or other amounts payable hereunder (other than changes in respect of taxes imposed on the overall net income of such Bank by the jurisdiction in which such Bank has its principal office or by any political subdivision or taxing authority therein), or shall impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of or credit extended by such Bank, or shall impose on such Bank or the London interbank market any other condition affecting this Agreement or any Eurodollar Loan or Fixed Rate Loan made by such Bank, and the result of any of the foregoing shall be to increase the cost to such Bank of making or maintaining any Eurodollar Loan or Fixed Rate Loan or to reduce the amount of any sum received or receivable by such Bank hereunder (whether of principal, interest or otherwise) by an amount deemed by such Bank to be material, then the Borrower will pay to such Bank within 30 days of demand such additional costs incurred or reduction suffered. Notwithstanding the foregoing, no Bank shall be entitled to request compensation under this paragraph with respect to any Competitive Loan if it shall have been aware of the change giving rise to such request at the time of submission of the Competitive Bid pursuant to which such Competitive Loan shall have been made.

(b) If any Bank shall have determined that the applicability of any law, rule, regulation or guideline adopted pursuant to or arising out of the July 1988 report of the Basle Committee on Banking Regulations and Supervisory Practices entitled "International Convergence of Capital Measurement and Capital Standards", or the adoption after the date hereof of any other law, rule, regulation or guideline regarding capital adequacy, or any change in any of the foregoing or in the interpretation or administration of any of the foregoing by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Bank (or any lending office of such Bank) or any Bank's holding company with any request or directive regarding capital adequacy (whether or not having the focus of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on such Bank's capital or on the capital of such Bank's holding company, if any, as a consequence of this Agreement or the Loans made by such Bank pursuant hereto to a level below that which such Bank or such Bank's holding company could have achieved but for such applicability, adoption, change or compliance (taking into consideration such Bank's policies and the policies of such Bank's holding company with respect to capital adequacy) by an amount deemed by such Bank to be material, then from time to time the Borrower shall pay to such Bank such additional amount or amounts as will compensate such Bank or such Bank's holding company for any such reduction suffered. It is acknowledged that the Facility Fee provided for in this Agreement has been determined on the understanding that the Banks will not be required to maintain capital against their Commitments under currently applicable law, rules, regulations and regulatory guidelines. In the event the Banks shall be advised by bank regulatory authorities responsible for interpreting or administering such applicable laws, rules, regulations and guidelines or shall otherwise determine, on the basis of applicable laws, rules, regulations, guidelines or other requests or statements (whether or not having the force of law) of such bank regulatory authorities, that such understanding is incorrect, it is agreed that the Banks will be entitled to make claims under this paragraph based upon prevailing market requirements for commitments under comparable credit facilities against which capital is required to be maintained.

(c) Notwithstanding any other provision of this Section 2.13, no Bank shall demand compensation for any increased cost or reduction referred to in paragraph (a) or (b) above if it shall not at the time be the general policy or practice of such Bank to demand such compensation in similar circumstances under comparable provisions of other credit agreements, if any.

(d) A certificate of a Bank setting forth such amount or amounts as shall be necessary to compensate such Bank as specified in paragraph (a) or (b) above, as the case may be, shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay each Bank the amount shown as due on any such certificate delivered by it within 30 days after the receipt of the same. If any Bank subsequently receives a refund of any such amount paid by the Borrower it shall remit such refund to the Borrower.

(e) Failure on the part of any Bank to demand compensation for any increased costs or reduction in amounts received or receivable or reduction in return on capital with respect to any period shall not constitute a waiver of such Bank's right to demand compensation with respect to any other period; PROVIDED that if any Bank fails to make such demand within 90 days after it obtains knowledge of the event giving rise to the demand such Bank shall, with respect to

amounts payable pursuant to this Section 2.13 resulting from such event, only be entitled to payment under this Section 2.13 for such costs incurred or reduction in amounts or return on capital from and after the date 90 days prior to the date that such Bank does make such demand. The protection of this Section shall be available to each Bank regardless of any possible contention of the invalidity or inapplicability of the law, rule, regulation, guideline or other change or condition which shall have occurred or been imposed.

Section 2.14. CHANGE IN LEGALITY. (a) Notwithstanding any other provision herein, if any change in any law or regulation or in the interpretation thereof by any governmental authority charged with the administration or interpretation thereof shall make it unlawful for any Bank to make or maintain any Eurodollar Loan or to give effect to its obligations as contemplated hereby with respect to any Eurodollar Loan, then, by written or telecopy notice to the Borrower and to the Agent, such Bank may:

(i) declare that Eurodollar Loans will not thereafter be made by such Bank hereunder, whereupon such Bank shall not submit a Competitive Bid in response to a request for Eurodollar Competitive Loans and any request by the Borrower for a Eurodollar Standby Borrowing shall, as to such Bank only, be deemed a request for an ABR Loan unless such declaration shall be subsequently withdrawn; and

(ii) require that all outstanding Eurodollar Loans made by it be converted to ABR Loans, in which event all such Eurodollar Loans shall be automatically converted to ABR Loans as of the effective date of such notice as provided in paragraph (b) below.

In the event any Bank shall exercise its rights under (i) or (ii) above, all payments and prepayments of principal which would otherwise have been applied to repay the Eurodollar Loans that would have been made by such Bank or the converted Eurodollar Loans of such Bank shall instead be applied to repay the ABR Loans made by such Bank in lieu of, or resulting from the conversion of, such Eurodollar Loans.

(b) For purposes of this Section 2.14, a notice to the Borrower by any Bank shall be effective as to each Eurodollar Loan, if lawful, on the last day of the Interest Period currently applicable to such Eurodollar Loan; in all other cases such notice shall be effective on the date of receipt by the Borrower.

(c) Each Bank agrees that, upon the occurrence of any event giving rise to the operation of paragraph (a) of this Section 2.14 with respect to such Bank, it shall have a duty to endeavor in good faith to mitigate the adverse effects that may arise as a consequence of such event to the extent that such mitigation will not, in the reasonable judgment of such Bank, entail any cost or disadvantage to such Bank that such Bank is not reimbursed or compensated for by the Borrower.

Section 2.15. INDEMNITY. The Borrower shall indemnify each Bank against any loss or expense which such Bank may sustain or incur as a consequence of (a) any failure by the Borrower to fulfill on the date of any borrowing hereunder the applicable conditions set forth in Article IV, (b) any failure by the Borrower to borrow or to refinance or continue any Loan hereunder after irrevocable notice of such borrowing, refinancing or continuation has been given

pursuant to Section 2.03 or 2.04, (c) any payment, prepayment or conversion of a Eurodollar Loan or Fixed Rate Loan required by any other provision of this Agreement or otherwise made or deemed made on a date other than the last day of the Interest Period applicable thereto, (d) any default in payment or prepayment of the principal amount of any Loan or any part thereof or interest accrued thereon, as and when due and payable (at the due date thereof, whether by scheduled maturity, acceleration, irrevocable notice of prepayment or otherwise) or (e) the occurrence of any Event of Default, including, in each such case, any loss or reasonable expense sustained or incurred or to be sustained or incurred in liquidating or employing deposits from third parties acquired to effect or maintain such Loan or any part thereof as a Eurodollar Loan or Fixed Rate Loan. Such loss or reasonable expense shall include an amount equal to the excess, if any, as reasonably determined by such Bank, of (i) its cost of obtaining the funds for the Loan being paid, prepaid, converted or not borrowed (assumed to be the LIBO Rate or, in the case of a Fixed Rate Loan, the fixed rate of interest applicable thereto) for the period from the date of such payment, prepayment or failure to borrow to the last day of the Interest Period for such Loan (or, in the case of a failure to borrow, the Interest Period for such Loan which would have commenced on the date of such failure) over (ii) the amount of interest (as reasonably determined by such Bank) that would be realized by such Bank in reemploying the funds so paid, prepaid or not borrowed for the remainder of such period or Interest Period, as the case may be. A certificate of any Bank setting forth any amount or amounts which such Bank is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error.

Each Bank shall have a duty to mitigate the damages to such Bank that may arise as a consequence of clause (a), (b), (c), (d) or (e) above to the extent that such mitigation will not, in the reasonable judgment of such Bank, entail any cost or disadvantage to such Bank that such Bank is not reimbursed or compensated for by the Borrower.

Section 2.16. PRO RATA TREATMENT. Except as required under Section 2.14, each Standby Borrowing, each payment or prepayment of principal of any Standby Borrowing, each payment of interest on the Standby Loans, each payment of the Facility Fees, each reduction of the Commitments and each refinancing of any Borrowing with a Standby Borrowing of any Type, shall be allocated pro rata among the Banks in accordance with their respective Commitments (or, if such Commitments shall have expired or been terminated, in accordance with the respective principal amounts of their outstanding Standby Loans). Each payment of principal of any Competitive borrowing shall be allocated pro rata among the Banks participating in such Borrowing in accordance with the respective principal amounts of their outstanding Competitive Loans comprising such Borrowing. Each payment of interest on any Competitive Borrowing shall be allocated pro rata among the Banks participating in such Borrowing in accordance with the respective amounts of accrued and unpaid interest on their outstanding Competitive Loans comprising such Borrowing. For purposes of determining the available Commitments of the Banks at any time, each outstanding Competitive Borrowing shall be deemed to have utilized the Commitments of the Banks (including those Banks which shall not have made Loans as part of such Competitive Borrowing) pro rata in accordance with such respective Commitments. Each Bank agrees that in computing such Bank's portion of any Borrowing to be made hereunder, the Agent may, in its discretion, round each Bank's percentage of such Borrowing to the next higher or lower whole dollar amount.

Section 2.17. SHARING OF SETOFFS. Each Bank agrees that if it shall, through the exercise of a right of banker's lien, setoff or counterclaim against the Borrower, or pursuant to, a secured claim under Section 506 of title 11 of the United States Code or other security or interest arising from, or in lieu of, such secured claim received by such Bank under any applicable bankruptcy, insolvency or other similar law or otherwise, or by any other means, obtain payment (voluntary or involuntary) in respect of any Standby Loan or Loans as a result of which the unpaid principal portion of the Standby Loans shall be proportionately less than the unpaid principal portion of the Standby Loans of any other Bank, it shall be deemed simultaneously to have purchased from such other Bank at face value, and shall promptly pay to such other Bank the purchase price for, a participation in the Standby Loans of such other Bank, so that the aggregate unpaid principal amount of the Standby Loans and participations in the Standby Loans held by each Bank shall be in the same proportion to the aggregate unpaid principal amount of all Standby Loans then outstanding as the principal amount of its Standby Loans prior to such exercise of banker's lien, setoff or counterclaim or other event was to the principal amount of all Standby Loans outstanding prior to such exercise of banker's lien, setoff or counterclaim or other event; PROVIDED, HOWEVER, that, if any such purchase or purchases or adjustment shall be made pursuant to this Section 2.17 and the payment giving rise thereto shall thereafter be recovered, such purchase or purchases or adjustments shall be rescinded to the extent of such recovery and the purchase price or prices or adjustments restored without interest. The Borrower expressly consents to the foregoing arrangements and agrees that any Bank holding a participation in a Standby Loan deemed to have been so purchased may exercise any and all rights of banker's lien, setoff or counterclaim with respect to any and all moneys owing by the Borrower to such Bank by reason thereof as fully as if such Bank had made a Standby Loan directly to the Borrower in the amount of such participation.

Section 2.18 PAYMENTS. (a) The Borrower shall initiate each payment (including principal of or interest on any Borrowing or any Fees or other amounts) hereunder and under any other Loan Document not later than 12:00 (noon), New York City time, on the date when due in dollars to the Agent at its offices at 270 Park Avenue, New York, New York, in immediately available funds.

Section 2.19. TAXES. (a) Any and all payments by the Borrower hereunder shall be made, in accordance with Section 2.18, free and clear of and without deduction for any and all current or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, EXCLUDING (i) income taxes imposed on the net income of the Agent or any Bank (or any transferee or assignee thereof, including a participation holder (any such entity a "Transferee")) and (ii) franchise taxes imposed on the net income of the Agent or any Bank (or Transferee), in each case by the jurisdiction under the laws of which the Agent or such Bank (or Transferee) is organized or has its principal place of business or any political subdivision thereof (all such nonexcluded taxes, levies, imposts, deductions, charges, withholdings and liabilities, collectively or individually, "Taxes"). If the Borrower shall be required to deduct any Taxes from or in respect of any sum payable hereunder to any Bank (or any Transferee) or the Agent, (i) the sum payable shall be increased by the amount (an "additional amount") necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.19) such Bank (or Transferee) or the Agent (as the case may be) shall receive an amount equal to the sum it would have received had no such deduction been made, (ii)

the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) In addition, the Borrower agrees to pay to the relevant Governmental Authority in accordance with applicable law any current or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies that arise from any payment made hereunder or from the execution, delivery or registration of, or otherwise with respect to, this Agreement or any other Loan Document ("Other Taxes").

(c) The Borrower will indemnify each Bank (or Transferee) and the Agent for the full amount of Taxes and Other Taxes paid by such Bank (or Transferee) or the Agent, as the case may be, and any liability (including penalties, interest and expenses (including reasonable attorney's fees and expenses)) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability prepared by a Bank, or the Agent on its behalf, absent manifest error, shall be final, conclusive and binding for all purposes. Such indemnification shall be made within 30 days after the date the Bank (or Transferee) or the Agent, as the case may be, makes written demand therefor.

(d) If a Bank (or Transferee) or the Agent shall become aware that it is entitled to claim a refund from a Governmental Authority in respect of Taxes or Other Taxes as to which it has been indemnified by the Borrower, or with respect to which the Borrower has paid additional amounts, pursuant to this Section 2.19, it shall promptly notify the borrower of the availability of such refund claim and shall, within 30 days after receipt of a request by the Borrower, make a claim to such Governmental Authority for such refund at the Borrower's expense. If a Bank (or Transferee) or the Agent receives a refund (including pursuant to a claim for refund made pursuant to the preceding sentence) in respect of any Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section 2.19, it shall within 30 days from the date of such receipt pay over such refund to the Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section 2.19 with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of such Bank (or Transferee) or the Agent and without interest (other than interest paid by the relevant Governmental Authority with respect to such refund); PROVIDED, HOWEVER, that the Borrower, upon the request of such Bank (or Transferee) or the Agent, agrees to repay the amount paid over to the Borrower (plus penalties, interest or other charges) to such Bank (or Transferee) or the Agent in the event such Bank (or Transferee) or the Agent is required to repay such refund to such Governmental Authority.

(e) As soon as practicable after the date of any payment of Taxes or Other Taxes by the Borrower to the relevant Governmental Authority, the Borrower will deliver to the Agent, at its address referred to in Section 9.01, the original or a certified copy of a receipt issued by such Governmental Authority evidencing payment thereof.

(f) Without prejudice to the survival of any other agreement contained herein, the agreements and obligations contained in this Section 2.19 shall survive the payment in full of the principal of and interest on all Loans made hereunder.

(g) Each Bank (or Transferee) that is organized under the laws of a jurisdiction other than the United States, any State thereof or the District of Columbia (a "Non-U.S. Bank") shall deliver to the Borrower and the Agent two copies of either United States Internal Revenue Service Form W-8BEN or Form W-8ECI, or, in the case of a Non-U.S. Bank claiming exemption from U.S. Federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest", a Form W-8BEN, or any subsequent versions thereof or successors thereto (and, if such Non-U.S. Bank delivers a Form W-8BEN, a certificate representing that such Non-U.S. Bank is not a bank for purposes of Section 881(c) of the Code, is not a 10-percent shareholder (within the meaning of Section 871(h)(3)(B) of the Code) of the Borrower and is not a controlled foreign corporation related to the Borrower (within the meaning of Section 864(d)(4) of the Code)), properly completed and duly executed by such Non-U.S. Bank claiming complete exemption from, or reduced rate of, U.S. Federal withholding tax on payments by the Borrower under this Agreement and the other Loan Documents. Such forms shall be delivered by each Non-U.S. Bank on or before the date it becomes a party to this Agreement (or, in the case of a Transferee that is a participation holder, on or before the date such participation holder becomes a Transferee hereunder) and on or before the date, if any, such Non-U.S. Bank changes its applicable lending office by designating a different lending office (a "New Lending Office"). In addition, each Non-U.S. Bank shall deliver such forms promptly upon the obsolescence or invalidity of any form previously delivered by such Non-U.S. Bank. Notwithstanding any other provision of this Section 2.19(g), a Non-U.S. Bank shall not be required to deliver any form pursuant to this Section 2.19(g) that such Non-U.S. Bank is not legally able to deliver.

(h) The Borrower shall not be required to indemnify any Non-U.S. Bank, or to pay any additional amounts to any Non-U.S. Bank, in respect of United States Federal withholding tax pursuant to paragraph (a) or (c) above to the extent that (i) the obligation to withhold amounts with respect to United States Federal withholding tax existed on the date such Non-U.S. Bank became a party to this Agreement (or, in the case of a Transferee that is a participation holder, on the date such participation holder became a Transferee hereunder) or, with respect to payments to a New Lending Office, the date such Non-U.S. Bank designated such New Lending Office with respect to a Loan; PROVIDED, HOWEVER, that this clause (i) of this subsection 2.19(h) shall not apply to any Transferee or New Lending Office that becomes a Transferee or New Lending Office as a result of an assignment, participation, transfer or designation made at the request of the Borrower; and PROVIDED, FURTHER, HOWEVER, that this clause (i) of this subsection 2.19(h) shall not apply to the extent the indemnity payment or additional amounts any Transferee, or Bank (or Transferee) through a New Lending Office, would be entitled to receive (without regard to this clause (i) of this subsection 2.19(h)) do not exceed the indemnity payment or additional amounts that the person making the assignment, participation or transfer to such Transferee, or Bank (or Transferee) making the designation of such New Lending Office, would have been entitled to receive in the absence of such assignment, participation, transfer or designation or (ii) the obligation to pay such additional amounts would not have arisen but for a failure by such Non-U.S. Bank to comply with the provisions of paragraph (g) above.

(i) Any Bank (or Transferee) claiming any additional amounts payable under this Section 2.19 shall (A) to the extent legally able to do so, upon written request from the Borrower, file any certificate or document if such filing would avoid the need for or reduce the amount of

any such additional amounts which may thereafter accrue, and the Borrower shall not be obligated to pay such additional amounts if, after the Borrower's request, any Bank (or Transferee) could have filed such certificate or document and failed to do so; or (B) consistent with legal and regulatory restrictions, use reasonable efforts to change the jurisdiction of its applicable lending office if the making of such change would avoid the need for or reduce the amount of any additional amounts which may thereafter accrue and would not, in the sole determination of such Bank (or Transferee), be otherwise disadvantageous to such Bank (or Transferee).

(j) Nothing contained in this Section 2.19 shall require any Bank (or Transferee) or the Agent to make available any of its tax returns (or any other information that it deems to be confidential or proprietary).

Section 2.20. MANDATORY ASSIGNMENT; COMMITMENT TERMINATION. In the event any Bank delivers to the Agent or the Borrower, as appropriate, a certificate in accordance with Section 2.13(c) or a notice in accordance with Section 2.10 or 2.14, or the Borrower is required to pay any additional amounts or other payments in accordance with Section 2.19, the Borrower may, at its own expense, and in its sole discretion (a) require such Bank to transfer and assign in whole or in part, without recourse (in accordance with Section 9.04), all or part of its interests, rights and obligations under this Agreement (other than outstanding Competitive Loans) to an assignee which shall assume such assigned obligations (which assignee may be another Bank, if a Bank accepts such assignment); PROVIDED that (i) such assignment shall not conflict with any law, rule or regulation or order of any court or other Governmental Authority and (ii) the Borrower or such assignee shall have paid to the assigning Bank in immediately available funds the principal of and interest accrued to the date of such payment on the Loans made by it hereunder and all other amounts owed to it hereunder or (b) terminate the Commitment of such Bank and prepay all outstanding Loans (other than Competitive Loans) of such Bank; PROVIDED that (x) such termination of the Commitment of such Bank and prepayment of Loans does not conflict with any law, rule or regulation or order of any court or Governmental Authority and (y) the Borrower shall have paid to such Bank in immediately available funds the principal of and interest accrued to the date of such payment on the Loans (other than Competitive Loans) made by it hereunder and all other amounts owed to it hereunder.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to each of the Banks that:

Section 3.01. ORGANIZATION; POWERS. The Borrower and each Subsidiary of the Borrower (a) is a corporation or other entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (b) has all requisite corporate or other entity power and authority to own its property and assets and to carry on its business as now conducted, (c) is qualified to do business in every jurisdiction where such qualification is required, except where the failure so to qualify would not be reasonably likely to have a Material Adverse Effect, and (d) in the case of the Borrower, has the corporate power and authority to execute, deliver and perform its obligations under each of the Loan Documents to which it is a

party and each other agreement or instrument contemplated thereby to which it is or will be a party and to borrow hereunder.

Section 3.02. AUTHORIZATION. The execution, delivery and performance by the Borrower of this Agreement and the execution, delivery and performance of each of the other Loan Documents and the borrowings hereunder (collectively, the "Transactions") (a) have been duly authorized by all requisite corporate and, if required, stockholder action and (b) will not (i) violate (A) any provision of law, statute, rule or regulation, or of the certificate or articles of incorporation or other constitutive documents or by-laws (or code of regulations) of the Borrower or any Subsidiary, (B) any order of any Governmental Authority or (C) any provision of any indenture, agreement or other instrument to which the Borrower or any Subsidiary is a party or by which any of them or any of their property is or may be bound, (ii) be in conflict with, result in a breach of or constitute (alone or with notice or lapse of time or both) a default under any such indenture, agreement or other instrument and (iii) result in the creation or imposition of any Lien upon or with respect to any property or assets now owned or hereafter acquired by the Borrower or any Subsidiary, except for any such violation, conflict, creation or imposition which does not impair the Borrower's ability to enter into and perform the Transactions or would not be reasonably likely to have a Material Adverse Effect or materially impair the position of the Banks with respect to any other creditors of the Borrower.

Section 3.03. ENFORCEABILITY. This Agreement has been duly executed and delivered by the Borrower and constitutes, and each other Loan document when executed and delivered by the Borrower will constitute, a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or other similar laws of general application affecting the enforcement of creditors' rights or by general principles of equity.

Section 3.04. GOVERNMENTAL APPROVALS. No action, consent or approval of, registration or filing with or any other action by any Governmental Authority is or will be required by the Borrower in connection with the Transactions, except such as have been made or obtained and are in full force and effect.

Section 3.05. FINANCIAL STATEMENTS. The Borrower has heretofore furnished to the Banks the consolidated balance sheet and consolidated statements of income, retained earnings and cash flows of the Borrower and its consolidated subsidiaries (a) as of and for the fiscal year ended December 31, 2001, audited by and accompanied by the opinion of Deloitte & Touche LLP, independent public accountants, and (b) as of and for the fiscal quarter and the portion of the fiscal year ended March 31, 2002, certified by the chief financial officer of the Borrower. Such financial statements (subject, in the case of such interim statements, to normal year-end audit adjustments) present fairly in all material respects the financial condition and results of operations of the Borrower and its consolidated subsidiaries as of such dates and for such periods. Such balance sheets and the notes thereto disclose, in accordance with GAAP, all material liabilities, direct or contingent, of the Borrower and its consolidated subsidiaries as of the dates thereof. Such financial statements were prepared in accordance with GAAP applied on a consistent basis, except that such interim financial statements do not contain footnotes.

Section 3.06. NO MATERIAL ADVERSE CHANGE. There has been no change in the business, assets, operations or condition, financial or otherwise, of the Borrower and its Subsidiaries since December 31, 2001 that would constitute a Material Adverse Effect which is not reflected in the financial statements referred to in Section 3.05(b).

Section 3.07. TITLE TO PROPERTIES; POSSESSION UNDER LEASES. (a) Each of the Borrower and its Subsidiaries has good and marketable title to, or valid leasehold interests in , all its properties and assets, except for defects in title that would not, in the aggregate, be reasonably likely to have a Material Adverse Effect. All material properties and assets are free and clear of Liens, other than Liens expressly permitted by Section 6.02.

(b) Each of the Borrower and its Subsidiaries has complied with all obligations under all leases to which it is a party, all such leases are in full force and effect and each of the Borrower and its Subsidiaries enjoys peaceful and undisturbed possession under all such leases, except for any noncompliance, ineffectiveness or other conditions that would not, in the aggregate, be reasonably likely to have a Material Adverse Effect.

Section 3.08. STOCK OF BORROWER. More than 51% of the outstanding Common Voting Shares, par value $.01, of the Borrower are owned legally, beneficially and of record by the Trust or the beneficiaries thereof.

Section 3.09. LITIGATION; COMPLIANCE WITH LAWS. (b) Except as set forth in Schedule 3.09 or otherwise disclosed to the Banks in writing, there are not any actions, suits or proceedings at law or in equity or by or before any Governmental Authority now pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower or any Subsidiary or any business, property or rights of any such person (i) which involve any Loan Document or the Transactions or (ii) as to which there is a reasonable possibility of an adverse determination and which, if adversely determined, would, individually or in the aggregate, be reasonably likely to have a Material Adverse Effect.

(b) None of the Borrower nor any of its Subsidiaries is in violation of any law, rule or regulation, or in default with respect to any judgment, writ, injunction or decree of any Governmental Authority, where such violation or default would be reasonably likely to have a Material Adverse Effect.

Section 3.10. AGREEMENTS. (a) None of the Borrower nor any of its Subsidiaries is a party to any agreement or instrument or subject to any corporate restriction that has resulted or would be reasonably likely to result in a Material Adverse Effect.

(b) None of the Borrower nor any of its Subsidiaries is in default in any manner under any provision of any indenture or other agreement or instrument evidencing Indebtedness, or any other material agreement or instrument to which it is a party or by which it or any of its properties or assets are or may be bound, where such default would be reasonably likely to have a Material Adverse Effect.

Section 3.11. FEDERAL RESERVE REGULATIONS. (a) None of the Borrower nor any of its Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying Margin Stock.

(b) No part of the proceeds of any Loan will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, (i) to purchase or carry Margin Stock or to extend credit to others for the purpose of purchasing or carrying Margin Stock or to refund indebtedness originally incurred for such purpose, or (ii) for any purpose which entails a violation of, or which is inconsistent with, the provisions of the Regulations of the Board, including Regulation U or X.

Section 3.12. INVESTMENT COMPANY ACT; PUBLIC UTILITY HOLDING COMPANY ACT. None of the Borrower nor any Subsidiary is (a) an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940 or (b) a "holding company" as defined in, or subject to regulation under, the Public Utility Holding Company Act of 1935.

Section 3.13. USE OF PROCEEDS. The Borrower will use the proceeds of the Loans only for the purposes specified in the preamble to this Agreement.

Section 3.14. TAX RETURNS. Each of the Borrower and its Subsidiaries has filed or caused to be filed all Federal, state and local tax returns required to have been filed by it and has paid or caused to be paid all taxes shown to be due and payable on such returns or on any assessments received by it, except taxes that are being contested in good faith by appropriate proceedings and for which the Borrower shall have set aside on its books adequate reserves.

Section 3.15. NO MATERIAL MISSTATEMENTS. No material information, report, financial statement, exhibit or schedule furnished by the Borrower in writing to the Agent or any Bank in connection with the negotiation of any Loan Document or included therein or delivered pursuant thereto contained, contains or will contain any material misstatement of fact or omitted, omits or will omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were, are or will be made, not misleading.

Section 3.16. EMPLOYEE BENEFIT PLANS. The Borrower and each of its ERISA Affiliates is in compliance with the applicable provisions of ERISA and the Code and the regulations and published interpretations thereunder, except for violations which, in the aggregate, would not be reasonably likely to have a Material Adverse Effect. No Reportable Event has occurred in respect of any plan of the Borrower or any ERISA Affiliate that would be reasonably likely to have a Material Adverse Effect. The present value of all benefit liabilities under each Plan (based on those assumptions used to fund such Plan) did not, as of the last annual valuation date applicable thereto, exceed by more than $20,000,000 the value of the assets of such Plan, and the present value of all benefit liabilities of all underfunded Plans (based on those assumptions used to fund each such Plan) did not, as of the last annual valuation dates applicable thereto, exceed $40,000,000. Neither the Borrower nor any ERISA Affiliate has incurred any Withdrawal Liability that materially adversely affects the financial condition of the Borrower and its ERISA Affiliates taken as a whole. Neither the Borrower nor any ERISA Affiliate has received any notification that any Multiemployer Plan is in reorganization or has been terminated, within the meaning of Title IV of ERISA, and no Multiemployer Plan is reasonably expected to be in reorganization or to be terminated, where such reorganization or termination has resulted or would reasonably be expected to result in the contributions required to be made to such Plan that would materially and adversely affect the financial condition of the Borrower and its ERISA Affiliates taken as a whole.

Section 3.17. ENVIRONMENTAL AND SAFETY MATTERS. Except as set forth in Schedule 3.17 or otherwise previously disclosed to the Banks in writing, each of the Borrower and each of its Subsidiaries has complied with all Federal, state, local and other statutes, ordinances, orders, judgments, rulings and regulations relating to environmental pollution or to environmental regulation or control or to employee health or safety, except for violations which, in the aggregate, would not be reasonably likely to have a Material Adverse Effect. Except as set forth in Schedule 3.17 or otherwise previously disclosed to the Banks in writing, none of the Borrower or any of its Subsidiaries has received notice of any failure so to comply. Except as set forth in Schedule 3.17 or otherwise previously disclosed to the Banks in writing, the Borrower's and its Subsidiaries' plants do not manage any hazardous wastes, hazardous substances, hazardous materials, toxic substances, toxic pollutants, or substances similarly denominated, as those terms or similar terms are used in the Resource Conservation and Recovery Act, the Comprehensive Environmental Response Compensation and Liability Act, the Hazardous Materials Transportation Act, the Toxic Substance Control Act, the Clean Air Act, the Clean Water Act or any other applicable law relating to environmental pollution or employee health and safety, in violation in any material respect of any law or any regulations promulgated pursuant thereto, except for violations which, in the aggregate, would not be reasonably likely to have a Material Adverse Effect. Except as set forth in Schedule 3.17 or otherwise previously disclosed to the Banks in writing, none of the Borrower nor any of its Subsidiaries is aware of any events, conditions or circumstances involving environmental pollution or contamination or employee health or safety that is reasonably expected to result in liability which would have a Material Adverse Effect.

ARTICLE IV

CONDITIONS OF LENDING

The obligations of the Banks to make Loans hereunder are subject to the satisfaction of the following conditions:

Section 4.01. ALL BORROWINGS. On the date of each Borrowing, including each Borrowing in which Loans are refinanced with new Loans as contemplated by Section 2.05:

(a) The Agent shall have received a notice of such Borrowing as required by Section 2.03 or Section 2.04, as applicable.

(b) The representations and warranties set forth in Article III hereof (except, subject to Section 4.02(e), the representations set forth in Section 3.06) shall be true and correct in all material respects on and as of the date of such Borrowing with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date.

(c) At the time of and immediately after such Borrowing no Event of Default or Default shall have occurred and be continuing.

Each Borrowing shall be deemed to constitute a representation and warranty by the Borrower on the date of such Borrowing as to the matters specified in paragraphs (b) and (c) of this Section 4.01.

Section 4.02. FIRST BORROWING. On the Closing Date:

(a) The Agent shall have received a favorable written opinion of Baker & Hostetler LLP, counsel for the Borrower, dated the Closing Date and addressed to the Banks, to the effect set forth in Exhibit D hereto, and the Borrower hereby instructs such counsel to deliver such opinion to the Agent.

(b) All legal matters incident to this Agreement and the borrowings hereunder shall be satisfactory to the Banks and their counsel and to Simpson Thacher & Bartlett, counsel for the Agent.

(c) The Agent shall have received (i) a copy of the articles of incorporation, including all amendments thereto, of the Borrower, certified as of a recent date by the Secretary of State of the state of its organization, and a certificate as to the good standing of the Borrower as of a recent date, from such Secretary of State; (ii) a certificate of the Secretary or Assistant Secretary of the Borrower dated the Closing Date and certifying (A) that attached thereto is a true and complete copy of the code of regulations of the Borrower as in effect on the Closing Date and at all times since a date prior to the date of the resolutions described in clause (B) below, (B) that attached thereto is a true and complete copy of resolutions duly adopted by the Board of Directors of the Borrower authorizing the execution, delivery and performance of the Loan Documents and the borrowings hereunder, and that such resolutions have not been modified, rescinded or amended and are in full force and effect, (C) that the articles of incorporation of the Borrower have not been amended since the date of the last amendment thereto shown on the certificate of good standing furnished pursuant to clause (i) above, and (D) as to the incumbency and specimen signature of each officer executing any Loan document or any other document delivered in connection herewith on behalf of the Borrower; (iii) a certificate of another officer as to the incumbency and specimen signature of the Secretary or Assistant Secretary executing the certificate pursuant to (ii) above; and (iv) such other documents as the Banks or their counsel or Simpson Thacher & Bartlett, counsel for the Agent, may reasonably request.

(d) The Agent shall have received a certificate from the Borrower, dated the Closing Date and signed by a Financial Officer thereof, confirming compliance with the conditions precedent set forth in paragraphs (b) and (c) of Section 4.01.

(e) The representations and warranties set forth in Section 3.06 shall be true and correct in all material respects.

(f) Concurrently with the transactions contemplated hereby on the Closing Date, the Borrower, the applicable Banks and the Agent shall have executed a side letter whereby all competitive loans under the Existing Credit Agreement shall be deemed to be Competitive Loans hereunder. The Borrower shall have repaid in full all other amounts

due under the Existing Credit Agreement and under each other agreement related thereto, and the Agent shall have received duly executed documentation either evidencing or necessary for (i) the termination of the Existing Credit Agreement and each other agreement related thereto and (ii) the cancelation of all commitments thereunder.

(g) The Agent shall have received all Fees and other amounts due and payable on or prior to the Closing Date.

ARTICLE V

AFFIRMATIVE COVENANTS

The Borrower covenants and agrees with each Bank that, so long as this Agreement shall remain in effect or the principal of or interest on any Loan, any Fees or any other expenses or amounts payable under any Loan Document shall be unpaid, unless the Required Banks shall otherwise consent in writing, it will, and will cause each of its Subsidiaries to:

Section 5.01. EXISTENCE; BUSINESSES AND PROPERTIES. (a) Do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence, except as otherwise expressly permitted under Section 6.04 and except with respect to the Subsidiaries of the Borrower where such failure would not reasonably be likely to have a Material Adverse Effect.

(b) Except to the extent that the failure to do or cause the same to be done would not be reasonably likely to have a Material Adverse Effect, do or cause to be done all things necessary to obtain, preserve, renew, extend and keep in full force and effect the rights, licenses, permits, franchises, authorizations, patents, copyrights, trademarks and trade names material to the conduct of its business; maintain and operate such business in substantially the manner in which it is presently conducted and operated (subject to changes in the ordinary course of business); comply in all material respects with all applicable laws, rules, regulations and orders of any Governmental Authority, whether now in effect or hereafter enacted; and at all times maintain and preserve all property material to the conduct of such business and keep such property in good repair, working order and condition and from time to time make, or cause to be made all needful and proper repairs, renewals, additions, improvements and replacements thereto necessary in order that the business carried on in connection therewith may be properly conducted at all times.

Section 5.02. INSURANCE. (a) Keep its insurable properties adequately insured at all times by financially sound and reputable insurers; (b) maintain such other insurance, to such extent and against such risks, including fire and other risks insured against by extended coverage, as is customary with companies in the same or similar businesses, including public liability insurance against claims for personal injury or death or property damage occurring upon, in, about or in connection with the use of any properties owned, occupied or controlled by it, and (c) maintain such other insurance as may be required by law; PROVIDED, HOWEVER, that, in lieu of or supplementing any such insurance described in (a) or (b) above, it may adopt such other plan or method of protection conforming to its self-insurance practices existing on the date hereof.

Section 5.03. OBLIGATIONS AND TAXES. Except to the extent the failure to do so would not, in the aggregate, be reasonably likely to have a Material Adverse Effect, pay its Indebtedness and other obligations promptly and in accordance with their terms and pay and discharge promptly when due all taxes, assessments and governmental charges or levies imposed upon it or upon it or upon its income or profits or in respect of its property, before the same shall become delinquent or in default, as well as all lawful claims for labor, materials and supplies or otherwise which, if unpaid, might give rise to a Lien upon such properties or any part thereof; PROVIDED, HOWEVER, that such payment and discharge shall not be required with respect to any such tax, assessment, charge, levy or claim so long as the validity or amount thereof shall be contested in good faith by appropriate proceedings and the Borrower shall have set aside on its books adequate reserves with respect thereto.

Section 5.04. FINANCIAL STATEMENTS, REPORTS, ETC. Furnish to the Agent and each Bank:

(a) within 120 days after the end of each fiscal year of the Borrower, consolidated balance sheets of the Borrower and its consolidated subsidiaries, the related consolidated statements of operations and the related consolidated statements of stockholders' equity and cash flows, showing the financial condition of the Borrower and its consolidated subsidiaries as of the close of such fiscal year and the results of its operations during such year, all such consolidated financial statements audited by and accompanied by the report thereon of Deloitte & Touche LLP or other independent public accountants of recognized national standing reasonably acceptable to the Required Banks and accompanied by an opinion of such accountants (which shall not be qualified in any material respect) to the effect that such consolidated financial condition and results of operations of the Borrower on a consolidated basis;

(b) within 60 days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower, consolidated balance sheets and related consolidated statements of income, retained earnings and cash flows, showing the financial condition of the Borrower and its consolidated subsidiaries as of the close of such fiscal quarter and the results of its operations during such fiscal quarter and the then elapsed portion of the fiscal year, all certified by a Financial Officer of the Borrower as fairly presenting in all material respects the financial condition and results of operations of the Borrower on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and except for the absence of footnotes in the case of quarterly statements;

(c) concurrently with any delivery of financial statements under (a) or (b) above, a certificate of a Financial Officer of the Borrower opining on or certifying such statements (i) certifying that no Event of Default or Default has occurred or, if such an Event of Default or Default has occurred, specifying the nature and extent thereof and any corrective action taken or proposed to be taken with respect thereto and (ii) setting forth computations in reasonable detail satisfactory to the Agent demonstrating compliance with the covenants contained in Sections 6.01(a) and (b)(v), 6.03 and 6.05;

(d) promptly after the same become publicly available, copies of all material periodic and other reports, proxy statements and other materials filed by the Borrower or any Subsidiary with the Securities and Exchange Commission, or any governmental authority succeeding to any of or all the functions of said Commission, or with any national securities exchange, or distributed to its public shareholders, as the case may be;

(e) promptly after the same become publicly available, copies of all material reports pertaining to any change in ownership filed by the Borrower or any Subsidiary with any Governmental Authority; and

(f) promptly, from time to time, such other information regarding the operations, business affairs and financial condition of the Borrower or any Subsidiary, or compliance with the terms of any Loan Document, as the Agent or any Bank may reasonably request.

Section 5.05. LITIGATION AND OTHER NOTICES. Furnish to the Agent and each Bank prompt written notice of the following:

(a) any Event of Default or Default, specifying the nature and extent thereof and the corrective action (if any) proposed to be taken with respect thereto;

(b) the filing or commencement of, or any threat or notice of intention of any person to file or commence, any action, suit or proceeding, whether at law or in equity or by or before any Governmental Authority, against the Borrower or any Affiliate thereof which could be reasonably anticipated to be adversely determined and, if adversely determined, could result in a Material Adverse Effect; and

(c) any development that has resulted in, or could reasonably be anticipated by the Borrower to result in, a Material Adverse Effect.

Section 5.06. ERISA. (a) Comply with the applicable provisions of ERISA and the Code except to the extent of such noncompliance which, in the aggregate, would not be reasonably likely to have a Material Adverse Effect and (b) furnish to the Agent (i) as soon as possible after, and in any event with 30 days after any Responsible Officer of the Borrower or any ERISA Affiliate knows or has reason to know that any Reportable Event has occurred that alone or together with any other Reportable Event could reasonably be expected to result in liability of the Borrower to the PBGC in an aggregate amount exceeding $10,000,000, a statement of a Financial Officer setting forth details as to such Reportable Event and the action proposed to be taken with respect thereto, together with a copy of the notice, if any, of such Reportable Event given to the PBGC, (ii) promptly after receipt thereof, a copy of any notice that the Borrower or any ERISA Affiliate may receive from the PBGC relating to the intention of the PBGC to terminate any Plan or Plans (other than a Plan maintained by an ERISA Affiliate that is considered an ERISA Affiliate only pursuant to subsection (m) or (o) of Code Section 414 or to appoint a trustee to administer any such Plan, (iii) within 10 days after the due date for filing with the PBGC pursuant to Section 412(n) of the Code of a notice of failure to make a required installment or other payment with respect to a Plan, a statement of a Financial Officer setting forth details as to such failure and the action proposed to be taken with respect thereto, together

with a copy of such notice given to the PBGC and (iv) promptly and in any event within 30 days after receipt thereof by the Borrower or any ERISA Affiliate from the sponsor of a Multiemployer Plan, a copy of each notice received by the Borrower, or any ERISA Affiliate concerning (A) the imposition of Withdrawal Liability or (B) a determination that a Multiemployer Plan is, or is expected to be, terminated or in reorganization, in each case within the meaning of Title IV of ERISA.

Section 5.07. MAINTAINING RECORDS; ACCESS TO PROPERTIES AND INSPECTIONS. Maintain all financial records in accordance with GAAP and permit any representatives designated by any Bank to visit and inspect the financial records and the properties of the Borrower or any Subsidiary upon reasonable prior notice at reasonable times and as often as reasonably requested (PROVIDED that such Bank shall make reasonable efforts not to interfere unreasonably with the business of the Borrower or any Subsidiary) and to make extracts from and copies of such financial records, and permit any representatives designated by any Bank to discuss the affairs, finances and condition of the Borrower or any Subsidiary with the officers thereof and independent accountants therefor; provided that each person obtaining such information shall hold all such information in strict confidence in accordance with the restrictions set forth in Section 9.16.

Section 5.08. USE OF PROCEEDS. Use the proceeds of the Loans only for the purposes set forth in the preamble to this Agreement.

Section 5.09. FILINGS. Make all material filings required to be made by it with any Governmental Authority.

ARTICLE VI

NEGATIVE COVENANTS

The Borrower covenants and agrees with each Bank and the Agent that, so long as this Agreement shall remain in effect or the principal of or interest on any Loan, any Fees or any other expenses or amounts payable under any Loan Document shall be unpaid, unless the Required Banks shall otherwise consent in writing, it will not, and will not cause or permit any of its Subsidiaries to:

Section 6.01. INDEBTEDNESS. (a) Permit the ratio of Consolidated Indebtedness of the Borrower to Consolidated Cash Flow of the Borrower at the end of and for the most recently ended four consecutive calendar quarters at any time to be greater than 5.0 to 1.0.

(b) Permit any Subsidiary of the Borrower to incur, create, assume or permit to exist any Indebtedness, except:

(i) Indebtedness existing on the date hereof as set forth in Schedule 6.01 hereto, and additional Indebtedness incurred pursuant to commitments by persons to lend to any Subsidiary but only to the extent such commitments are available and unused as of the date hereof as set forth in Schedule 6.01 hereto;

(ii) Indebtedness of a Subsidiary or business existing at the time such Subsidiary or business was acquired by the Borrower or a Subsidiary; PROVIDED that such Indebtedness was not incurred in contemplation of such acquisition;

(iii) Indebtedness to the Borrower or to another Subsidiary of the Borrower; and

(iv) other Indebtedness exclusive of the Indebtedness permitted by clauses (i) through (iii) above in an aggregate amount at any time outstanding which, when added to the aggregate Indebtedness secured by Liens permitted by Section 6.02(k) and to the aggregate amount incurred by the Borrower and any of the Subsidiaries pursuant to Section 6.03(ii) herein, shall not exceed 15% of the Consolidated Stockholders' Equity of the Borrower at such time.

Section 6.02. LIENS. Create, incur, assume or permit to exist any Lien on any property or assets (including stock or other securities of any person, including any Subsidiary) now owned or hereafter acquired by it or on any income or revenues or rights in respect of any thereof, except:

(a) Liens incurred or pledges and deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and old-age pensions and other social security benefits;

(b) Liens securing the performance of bids, tenders, leases, contracts (other than for the repayment of borrowed money), statutory obligations, surety and appeal bonds and other obligations of like nature, incurred as an incident to and in the ordinary course of business;

(c) Liens imposed by law, such as carriers', warehousemen's, mechanics', materialmen's, suppliers', repairmen's and vendors' liens, incurred in good faith in the ordinary course of business with respect to obligations not delinquent or which are being contested in good faith by appropriate proceedings and as to which the Borrower or a Subsidiary shall have set aside on its books adequate reserves;

(d) Liens securing the payment of taxes, assessments and governmental charges or levies, either (i) not delinquent or (ii) being contested in good faith by appropriate legal or administrative proceedings and as to which the Borrower or a Subsidiary, as the case may be, shall have set aside on its books adequate reserves;

(e) zoning restrictions, easements, licenses, reservations, restrictions on the use of real property or minor irregularities incident thereto (and with respect to leasehold interests: mortgages, obligations, liens and other encumbrances that are incurred, created, assumed or permitted to exist and arise by, through or under or are asserted by a landlord or owner of the leased property, with or without consent of the lessee) which were not incurred in connection with the borrowing of money or the obtaining of advances or credit and which do not in the aggregate materially detract from the value of the property or assets of the Borrower or a Subsidiary, as the case may be, or impair the

use of such property for the purposes for which such property is held by the Borrower or such Subsidiary;

(f) Liens to secure the purchase price of real or personal property acquired, constructed or improved after the date hereof; PROVIDED that any such Lien is existing or created at the time of, or substantially simultaneously with, the acquisition, construction or improvement by the Borrower or a Subsidiary of the property so acquired and at all times covers only such property;

(g) Liens on property of a Subsidiary in favor of the Borrower or another Subsidiary;

(h) Liens created by or resulting from any litigation or proceeding which is currently being contested in good faith by appropriate proceedings and as to which (i) levy and execution have been stayed and continue to be stayed and (ii) the Borrower or a Subsidiary shall have set aside on its books adequate reserves;

(i) Liens on property of a Subsidiary existing at the time it becomes a Subsidiary; PROVIDED that such Liens were not created in contemplation of the acquisition by the Borrower or another Subsidiary of such Subsidiary;

(j) Liens on the property of the Borrower or a Subsidiary incidental to the conduct of its business or the ownership of its property which were not incurred in connection with the borrowing of money or the obtaining of advances or credit or other financial accommodations (including but not limited to interest rate swap obligations or letter of credit obligations of the Borrower or any Subsidiary), and which do not in the aggregate materially detract from the value of its property or assets or impair the use thereof in the operation of its business;

(k) the Borrower and any Subsidiary may incur Liens not otherwise permitted by this covenant securing Indebtedness in an aggregate amount at any time outstanding which, when added to the aggregate amount incurred by Subsidiaries under Section 6.01(b)(iv) and to the aggregate amount incurred by the Borrower and the Subsidiaries under Section 6.03(ii) does not exceed 15% of Consolidated Stockholders' Equity of the Borrower at such time;

(l) judgment Liens that do not constitute an Event of Default; and

(m) Liens on property acquired by the Borrower or any of its Subsidiaries after the Closing Date so long as such Liens are limited to the property acquired and were not created in contemplation of the acquisition.

Section 6.03. SALE AND LEASE-BACK TRANSACTIONS. Enter into any arrangement, directly or indirectly, with any person whereby it shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property which it intends to use for substantially the same purpose or purposes as the property being sold or transferred, except that (i) any Subsidiary may enter into such an arrangement for the sale or transfer of its property to another Subsidiary or to

the Borrower and (ii) the Borrower and the Subsidiaries may enter into any such arrangements provided that the aggregate sale price of all property subject to such arrangements (other than arrangements described in clause (i) above), when added to the aggregate amount of Indebtedness incurred by Subsidiaries under Section 6.01(b)(v) and to the aggregate amount of Indebtedness secured by Liens permitted by Section 6.02(k), shall not exceed 15% of the Consolidated Stockholders' Equity of the Borrower at such time.

Section 6.04. MERGERS, CONSOLIDATIONS AND SALES OF ASSETS. Merge into or consolidate with any other person, or permit any other person to merge into or consolidate with it, or sell, transfer, lease or otherwise dispose of (in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) or purchase, lease or otherwise acquire (in one transaction or a series of transactions) all or substantially all of the assets of any other person, except that if at the time thereof and immediately after giving effect thereto no Event of Default or Default shall have occurred and be continuing, (a) the Borrower or a Subsidiary may merge with another corporation in a transaction in which the surviving entity is the Borrower or such Subsidiary, respectively, and, in the case of a Subsidiary, the surviving entity is a wholly owned Subsidiary, (b) any Subsidiary may merge into the Borrower or another Subsidiary; or (c) the Borrower or a Subsidiary may purchase, lease or otherwise acquire any assets of any other person.

Section 6.05. INTEREST COVERAGE RATIO. Permit the ratio of Consolidated Cash Flow of the Borrower to Consolidated Interest Expense of the Borrower for the period of four consecutive calendar quarters most recently ended at any time to be less than 2.5 to 1.0.

Section 6.06. FISCAL YEAR. Change its fiscal year.

ARTICLE VII

EVENTS OF DEFAULT

In case of the happening of any of the following events ("Events of Default"):

(a) any representation or warranty made or deemed made in or in connection with any Loan Document or the borrowings hereunder, or any representation, warranty, statement or information contained in any report, certificate, financial statement or other instrument furnished in connection with or pursuant to any Loan Document, shall prove to have been false or misleading in any material respect when so made, deemed made or furnished;

(b) default shall be made in the payment of any principal of any Loan when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or by acceleration thereof or otherwise;

(c) default shall be made in the payment of any interest on any Loan or any Fee or any other amount (other than an amount referred to in (b) above) due under any Loan Document, when and as the same shall become due and payable, and such default shall continue unremedied for a period of 5 Business Days;

(d) default shall be made in the due observance or performance by the Borrower or any Subsidiary of any covenant, condition or agreement contained in Section 5.01(a) or 5.05(a) or in Article VI;

(e) default shall be made in the due observance or performance by the Borrower or any Subsidiary of any covenant, condition or agreement contained in any Loan Document (other than those specified in (b), (c) or (d) above) and such default shall continue unremedied for a period of 30 days after written notice thereof from the Agent or any Bank to the Borrower;

(f) the Borrower or any Subsidiary shall (i) fail to pay any principal or interest, regardless of amount, due in respect of any Indebtedness in a principal amount in excess of $10,000,000, when and as the same shall become due and payable, or (ii) fail to observe or perform any other term, covenant, condition or agreement contained in any agreement or instrument evidencing or governing any such Indebtedness if the effect of any failure referred to in this clause (ii) is to cause such Indebtedness to become due prior to its stated maturity;

(g) an involuntary proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (i) relief in respect of the Borrower or any Subsidiary, or of a substantial part of the property or assets of the Borrower or a Subsidiary, under Title 11 of the United States Code, as now constituted or hereafter amended, or any other Federal or state bankruptcy, insolvency, receivership or similar law, (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Subsidiary or for a substantial part of the property or assets of the Borrower or a Subsidiary or (iii) the winding-up or liquidation of the Borrower or any Subsidiary; and such proceeding or petition shall continue undismissed for 90 days or an order or decree approving or ordering any of the foregoing shall be unstayed and in effect for 90 days;

(h) the Borrower or any Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking relief under Title 11 of the United States Code, as now constituted or hereafter amended, or any other Federal or state bankruptcy, insolvency, receivership or similar law, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or the filing of any petition described in (g) above, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Subsidiary or for a substantial part of the property or assets of the Borrower or any Subsidiary, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, (vi) become unable, admit in writing its inability or fail generally to pay its debts as they become due or (vii) take any action for the purpose of effecting any of the foregoing;

(i) one or more final judgments for the payment of money in excess of $10,000,000, excluding such amounts which are covered by insurance, shall be rendered against the Borrower, any Subsidiary or any combination thereof and the same shall remain undischarged for a period of 30 consecutive days during which execution shall

not be effectively stayed, or any action shall be legally taken by a judgment creditor to levy upon assets or properties of the Borrower or any Subsidiary to enforce any such judgment;

(j) a Reportable Event or Reportable Events, or a failure to make a required installment or other payment (within the meaning of Section 412(n)(l) of the Code), shall have occurred with respect to any Plan or Plans that reasonably could be expected to result in liability of the Borrower to the PBGC or to a Plan in an aggregate amount exceeding $10,000,000 and, within 30 days after the reporting of any such Reportable Event to the Agent or after the receipt by the Agent of the statement required pursuant to Section 5.06, the Agent shall have notified the Borrower in writing that (i) the Required Banks have made a determination that, on the basis of such Reportable Event or Reportable Events or the failure to make a required payment, there are reasonable grounds (A) for the termination of such Plan or Plans by the PBGC, (B) for the appointment by the appropriate United States District Court of a trustee to administer such Plan or Plans or (C) for the imposition of a lien in favor of a Plan and (ii) as a result thereof an Event of Default exists hereunder; or a trustee shall be appointed by a United States District Court to administer any such Plan or Plans; or the PBGC shall institute proceedings to terminate any Plan or Plans; or

(k) (i) the Borrower or any ERISA Affiliate shall have been notified by the sponsor of a Multiemployer Plan that it has incurred Withdrawal Liability to such Multiemployer Plan, (ii) the Borrower or such ERISA Affiliate does not have reasonable grounds for contesting such Withdrawal Liability or is not contesting such Withdrawal Liability in a timely and appropriate manner and (iii) the amount of such Withdrawal Liability specified in such notice, when aggregated with all other amounts required to be paid to Multiemployer Plans in connection with Withdrawal Liabilities (determined as of the date or dates of such notification), either (A) exceeds $10,000,000 or requires payments exceeding $10,000,000 in any year or (B) is less than $10,000,000 but any Withdrawal Liability payment remains unpaid 30 days after such payment is due;

(l) the Borrower or any ERISA Affiliate shall have been notified by the sponsor of a Multiemployer Plan that such Multiemployer Plan is in reorganization or is being terminated, within the meaning of Title IV of ERISA, if solely as a result of such reorganization or termination the aggregate annual contributions of the Borrower and its ERISA Affiliates to all Multiemployer Plans that are then in reorganization or have been or are being terminated have been or will be increased over the amounts required to be contributed to such Multiemployer Plans for their most recently completed plan years by an amount exceeding $10,000,000; or

(m) there shall have occurred a Change in Control;

then, and in every such event (other than an event with respect to the Borrower described in paragraph (g) or (h) above), and at any time thereafter during the continuance of such event, the Agent, at the request of the Required Banks, shall, by notice to the Borrower, take either or both of the following actions, at the same or different times: (i) terminate forthwith the Commitments and (ii) declare the Loans then outstanding to be forthwith due and payable in whole or in part,

whereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and any unpaid accrued Fees and all other liabilities of the Borrower accrued hereunder and under any other Loan Document, shall become forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Borrower, anything contained herein or in any other Loan Document to the contrary notwithstanding; and in any event with respect to the Borrower described in paragraph (g) or (h) above, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and any unpaid accrued Fees and all other liabilities of the Borrower accrued hereunder and under any other Loan Document, shall automatically become due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Borrower, anything contained herein or in any other Loan Document to the contrary notwithstanding.

ARTICLE VIII

THE AGENT

In order to expedite the transactions contemplated by this Agreement, JPMorgan Chase Bank is hereby appointed to act as Agent on behalf of the Banks. Each of the Banks, and each transferee of any Bank, hereby irrevocably authorizes the Agent to take such actions on behalf of such Bank or transferee and to exercise such powers as are specifically delegated to the Agent by the terms and provisions hereof and of the other Loan Documents, together with such actions and powers as are reasonably incidental thereto. The Agent is hereby expressly authorized by the Banks, without hereby limiting any implied authority, (a) to receive on behalf of the Banks all payments of principal of and interest on the Loans and all other amounts due to the Banks hereunder, and promptly to distribute to each Bank its proper share of each payment so received; (b) to give notice on behalf of each of the Banks to the Borrower of any Event of Default specified in this Agreement of which the Agent has actual knowledge acquired in connection with its agency hereunder; and (c) to distribute to each Bank copies of all notices, financial statements and other materials delivered by the Borrower pursuant to this Agreement as received by the Agent.

Neither the Agent nor any of its directors, officers, employees or agents shall be liable as such for any action taken or omitted by any of them except for its or his own gross negligence or wilful misconduct, or be responsible for any statement, warranty or representation herein or the contents of any document delivered in connection herewith, or be required to ascertain or to make any inquiry concerning the performance or observance by the Borrower of any of the terms, conditions, covenants or agreements contained in any Loan Document. The Agent shall not be responsible to the Banks for the due execution, genuineness, validity, enforceability or effectiveness of this Agreement or any other Loan Documents or other instruments or agreements. The Agent shall in all cases be fully protected in acting, or refraining from acting, in accordance with written instructions signed by the Required Banks and, except as otherwise specifically provided herein, such instructions and any action or inaction pursuant thereto shall be binding on all the Banks. The Agent shall, in the absence of knowledge to the contrary, be entitled to rely on any instrument or document believed by it in good faith to be genuine and correct and to have been signed or sent by the proper person or persons. Neither the

Agent nor any of its directors, officers, employees or agents shall have any responsibility to the Borrower on account of the failure of or delay in performance or breach by any Bank of any of its obligations hereunder or to any Bank on account of the failure of or delay in performance or breach by any other Bank or the Borrower of any of their respective obligations hereunder or under any other Loan Document or in connection herewith or therewith. The Agent may execute any and all duties hereunder by or through agents or employees and shall be entitled to rely upon the advice of legal counsel selected by it with respect to all matters arising hereunder and shall not be liable for any action taken or suffered in good faith by it in accordance with the advice of such counsel.

The Banks hereby acknowledge that the Agent shall be under no duty to take any discretionary action permitted to be taken by it pursuant to the provisions of this Agreement unless it shall be requested in writing to do so by the Required Banks.

Subject to the appointment and acceptance of a successor Agent as provided below, the Agent may resign at any time by notifying the Banks and the Borrower. Upon any such resignation, the Required Banks shall have the right to appoint a successor. If no successor shall have been so appointed by the Required Banks and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation, then the retiring Agent may, on behalf of the Banks, appoint a successor Agent which shall be a bank with an office in New York, New York, having a combined capital and surplus of at least $500,000,000 or an Affiliate of any such bank. Upon the acceptance of any appointment as Agent hereunder by a successor bank, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent and the retiring Agent shall be discharged from its duties and obligations hereunder. After the Agent's resignation hereunder, the provisions of this Article and Section 9.05 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as Agent.

With respect to the Loans made by it hereunder, the Agent in its individual capacity and not as Agent shall have the same rights and powers as any other Bank and may exercise the same as though it were not the Agent, and the Agent and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if it were not the Agent.

Each Bank agrees (i) to reimburse the Agent, on demand, in the amount of its pro rata share (based on its Commitment hereunder) of any expenses incurred for the benefit of the Banks by the Agent, including counsel fees and compensation of agents and employees paid for services rendered on behalf of the Banks, which shall not have been reimbursed by the Borrower and (ii) to indemnify and hold harmless the Agent and any of its directors, officers, employees or agents, on demand, in the amount of such pro rata share, from and against any and all liabilities, taxes, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against it in its capacity as the Agent or any of them in any way relating to or arising out of this Agreement or any other Loan Document or any action taken or omitted by it or any of them under this Agreement or any other Loan Document, to the extent the same shall not have been reimbursed by the Borrower; PROVIDED that no Bank shall be liable to the Agent for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs,

expenses or disbursements resulting from the gross negligence or wilful misconduct of the Agent or any of its directors, officers, employees or agents.

Each Bank acknowledges that it has, independently and without reliance upon the Agent or any other Bank and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Bank also acknowledges that it will, independently and without reliance upon the Agent or any other Bank and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement or any other Loan Document, any related agreement or any document furnished hereunder or thereunder.

ARTICLE IX

MISCELLANEOUS

Section 9.01. NOTICES. Notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(a) if to the Borrower, to it at 312 Walnut Street, Suite 2800, Cincinnati, Ohio 45202, Attention of Treasurer (Telecopy No. 513-977-3729) with a copy to Baker & Hostetler LLP, counsel for the Borrower, to it at 3200 National City Center, Cleveland, Ohio 44114, Attention of John H. Burlingame, Esq. (Telecopy No. 216-696-0740) and 312 Walnut Street, Suite 2650, Cincinnati, Ohio 45202, Attention of William Appleton (Telecopy No. 513-929-0303);

(b) if to the Agent, to JPMorgan Chase Bank, One Chase Manhattan Plaza, New York, New York 10081, Attention of Ganesh Persaud (Telecopy No. 212 - 552-5700), with copies to JPMorgan Chase Bank, 270 Park Avenue, New York, New York 10017, Attention of Linda Wisnieski (Telecopy No. 212-270-4164); and

(c) if to a Bank, to it at its address (or telecopy number) set forth in Schedule 2.01 or in the Assignment and Acceptance pursuant to which such Bank shall have become a party hereto.

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 if delivered by hand or overnight courier service or sent by telecopy, in each case delivered, sent or mailed (properly addressed) to such party as provided in this Section 9.01 or in accordance with the latest unrevoked direction from such party given in accordance with this Section 9.01.

Section 9.02. SURVIVAL OF AGREEMENT. All covenants, agreements, representations and warranties made by the Borrower herein and in the certificates or other material instruments prepared or delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the Banks and shall survive the making by the Banks of the Loans, regardless of any investigation made by the

Banks or on their behalf, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any Fee or any other amount payable under this Agreement or any other Loan Document is outstanding and unpaid and so long as the Commitments have not been terminated.

Section 9.03. BINDING EFFECT. This Agreement shall become effective when it shall have been executed by the Borrower and the Agent and when the Agent shall have received copies hereof which, when taken together, bear the signatures of each Bank, and thereafter shall be binding upon and inure to the benefit of the Borrower, the Agent and each Bank and their respective successors and assigns, except that the Borrower shall not have the right to assign its rights hereunder or any interest herein without the prior consent of all the Banks.

Section 9.04. SUCCESSORS AND ASSIGNS. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Bank (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Bank may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Agent and the Banks) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Bank may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld, conditioned or delayed) of:

(A) the Borrower, PROVIDED that no consent of the Borrower shall be required for an assignment to a Bank, an Affiliate of a Bank, an Approved Fund (as defined below) or, if an Event of Default under clause (b), (c), (g) or (h) of Article VII has occurred and is continuing, any other assignee; and

(B) the Agent, PROVIDED that no consent of the Agent shall be required for an assignment to an assignee that is a Bank or an affiliate of a Bank immediately prior to giving effect to such assignment.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Bank or an Affiliate of a Bank or an assignment of the entire remaining amount of the assigning Bank's Commitment, the amount of the Commitment of the assigning Bank subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Agent) shall not be less than $5,000,000 unless each of the

Borrower and the Agent otherwise consent, PROVIDED that no such consent of the Borrower shall be required if an Event of Default under clause (b), (c), (g) or (h) of Article VII has occurred and is continuing;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Bank's rights and obligations under this Agreement, PROVIDED that this clause shall not apply to rights in respect of outstanding Competitive Loans;

(C) the parties to each assignment shall execute and deliver to the Agent an Assignment and Acceptance, together with a processing and recordation fee of $3,500;

(D) the assignee, if it shall not be a Bank, shall deliver to the Agent an Administrative Questionnaire; and

(E) in the case of an assignment to a CLO (as defined below), the assigning Bank shall retain the sole right to approve any amendment, modification or waiver of any provision of this Agreement, PROVIDED that the Assignment and Acceptance between such Bank and such CLO may provide that such Bank will not, without the consent of such CLO, agree to any amendment, modification or waiver described in the first proviso to Section 9.08(b) that affects such CLO.

For the purposes of this Section 9.04(b), the terms "Approved Fund" and "CLO" have the following meanings:

"APPROVED FUND" means (a) a CLO and (b) with respect to any Bank that is a fund which invests in bank loans and similar extensions of credit, any other fund that invests in bank loans and similar extensions of credit and is managed by the same investment advisor as such Bank or by an Affiliate of such investment advisor.

"CLO" means any entity (whether a corporation, partnership, trust or otherwise) that is engaged in making, purchasing, holding or otherwise investing in bank loans and similar extensions of credit in the ordinary course of its business and is administered or managed by a Bank or an Affiliate of such Bank.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective date specified in each Assignment and Acceptance the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Bank under this Agreement, and the assigning Bank thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Bank's rights and obligations under this Agreement, such Bank shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.13, 2.15, 2.19 and 9.05). Any assignment or transfer by a Bank of rights or obligations under this Agreement that does not comply with this Section 9.04 shall be treated for purposes of this Agreement as a sale by such Bank of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Banks, and the Commitment of, and principal amount of the Loans owing to, each Bank pursuant to the terms hereof from time to time (the "REGISTER"). The entries in the Register shall be conclusive, and the Borrower, the Agent and the Banks may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Bank hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Bank, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Bank and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Bank hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Agent shall accept such Assignment and Acceptance and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) (i) Any Bank may, without the consent of the Borrower or the Agent, sell participations to one or more banks or other entities (a "PARTICIPANT") in all or a portion of such Bank's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); PROVIDED that (A) such Bank's obligations under this Agreement shall remain unchanged, (B) such Bank shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrower, the Agent and the other Banks shall continue to deal solely and directly with such Bank in connection with such Bank's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Bank sells such a participation shall provide that such Bank shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; PROVIDED that such agreement or instrument may provide that such Bank will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.08(b) that affects such Participant. Subject to paragraph (c)(ii) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.13, 2.15 and 2.19 to the same extent as if it were a Bank and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.06 as though it were a Bank, provided such Participant agrees to be subject to Section 2.17 as though it were a Bank.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.13 or 2.19 than the applicable Bank would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Non-U.S. Bank if it were a Bank shall not be entitled to the benefits of Section 2.19 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 2.19(g) as though it were a Bank.

(d) Any Bank may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Bank, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; PROVIDED that no such pledge or assignment of a security interest shall release a Bank from any of its obligations hereunder or substitute any such pledgee or assignee for such Bank as a party hereto.

Section 9.05. EXPENSES; INDEMNITY. (a) The Borrower agrees to pay all out-of-pocket expenses incurred by the Agent in connection with the preparation of this Agreement and the other Loan Documents or in connection with any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions hereby contemplated shall be consummated) or incurred by the Agent or any Bank in connection with the enforcement or protection of their rights in connection with this Agreement and the other Loan Documents or in connection with the Loans made hereunder, including the reasonable fees, charges and disbursements of Simpson Thacher & Bartlett, counsel for the Agent, and, in connection with any such enforcement or protection, the reasonable fees, charges and disbursements of any other counsel for the Agent or any Bank. The Borrower further agrees that it shall indemnify the Banks from and hold them harmless against any documentary taxes, assessments or charges made by any Governmental Authority by reason of the execution and delivery of this Agreement or any of the other Loan Documents.

(b) The Borrower agrees to indemnify the Agent, each Bank and each of their respective directors, officers, employees and agents (each such person being called an "Indemnitee") against, and to hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including reasonable counsel fees, charges and disbursements, incurred by or asserted against any Indemnitee arising out of, in any way connected with, or as a result of (i) the execution or delivery of this Agreement or any other Loan Document or any agreement or instrument contemplated thereby, the performance by the parties thereto of their respective obligations thereunder or the consummation of the Transactions and the other transactions contemplated thereby, (ii) the use of the proceeds of the Loans or (iii) any claim, litigation, investigation or proceeding relating to any of the foregoing, whether or not any Indemnitee is a party thereto; PROVIDED that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from (A) in the case of the Agent or any Bank, any unexcused breach by the Agent or such Bank of any of its obligations under this Agreement or (b) the gross negligence or wilful misconduct of such Indemnitee.

(c) The provisions of this Section 9.05 shall remain operative and in full force and effect regardless of the expiration of the term of this Agreement, the consummation of the transactions contemplated hereby, the repayment of any of the Loans, the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document, or any investigation made by or on behalf of the Agent or any Bank. All amounts due under this Section 9.05 shall be payable on written demand therefor.

(d) Any Bank may at any time assign all or any portion of its rights under this Agreement to a Federal Reserve Bank; PROVIDED that no such assignment shall release a Bank from any of its obligations hereunder.

Section 9.06. RIGHTS OF SETOFF. If an Event of Default shall have occurred and be continuing, each Bank is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Bank to or for the credit or the account of the Borrower against any of and all the obligations of the Borrower now or hereafter existing under this Agreement and other Loan Documents held by such Bank, irrespective of whether or not such Bank shall have made any demand under this Agreement or such other Loan Document and although such obligations may be unmatured. The rights of each Bank under this Section are in addition to other rights and remedies (including other rights of Setoff) which such Bank may have.

SECTION 9.07. APPLICABLE LAW. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

Setion 9.08. WAIVERS; AMENDMENT. (a) No failure or delay of the Agent or any Bank in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Agent and the Banks hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies which they would otherwise have. No waiver of any provision of this Agreement or any other Loan Document or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) below, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on the Borrower in any case shall entitle the Borrower to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower, and the Required Banks; PROVIDED, HOWEVER, that no such agreement shall (i) decrease the principal amount of, or extend the maturity of or any scheduled principal payment date or date for the payment of any interest on any Loan, or waive or excuse any such payment of or any part thereof, or decrease the rate of interest on any Loan, without the prior written consent of each Bank affected thereby, (ii) change or extend the Commitment or decrease the Facility Fees of any Bank without the prior written consent of such Bank, or (iii) amend or modify the provisions of Section 2.16, the provisions of this Section, or the definition of "Required Banks", without the prior written consent of each Bank; PROVIDED FURTHER that no such agreement shall amend, modify or otherwise affect the rights or duties of the Agent hereunder without the prior written consent of the Agent.

Section 0.09. INTEREST RATE LIMITATION. Notwithstanding anything herein to the contrary, if at any time the applicable interest rate, together with all fees and charges which are

treated as interest under applicable law (collectively the "Charges"), as provided for herein or in any other document executed in connection herewith, or otherwise contracted for, charged, received, taken or reserved by any Bank, shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by such Bank in accordance with applicable law, the rate of interest payable hereunder, together with all Charges payable to such Bank, shall be limited to the Maximum Rate.

Section 9.10. ENTIRE AGREEMENT. This Agreement and the other Loan Documents constitute the entire contract between the parties relative to the subject matter hereof. Any previous agreement among the parties with respect to the subject matter hereof is superseded by this Agreement and the other Loan Documents. Nothing in this Agreement or in the other Loan Documents, expressed or implied, is intended to confer upon any party other than the parties hereto and thereto any rights, remedies, obligations or liabilities under or by reason of this Agreement or the other Loan Documents.

Section 9.11. WAIVER OF JURY TRIAL. Each party hereto hereby waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any litigation directly or indirectly arising out of, under or in connection with this Agreement or any of the other Loan Documents. Each party hereto (a) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (b) acknowledges that it and the other parties hereto have been induced to enter into this Agreement and the other Loan Documents, as applicable, by, among other things, the mutual waivers and certifications in this Section 9.11.

Section 9.12. SEVERABILITY. In the event any one or more of the provisions contained in this Agreement or in any other Loan Document should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby. The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible so that of the invalid, illegal or unenforceable provisions.

Section 9.13. COUNTERPARTS. This Agreement may be executed in two or more counterparts, each of which shall constitute an original but all of which when taken together shall constitute but one contract, and shall become effective as provided in Section 9.03.

Section 9.14. HEADINGS. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

Section 9.15. JURISDICTION; CONSENT TO SERVICE OF PROCESS. (c) The Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or the other Loan Documents, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and

unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdiction by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that any Bank may otherwise have to bring any action or proceeding relating to this Agreement or the other Loan Documents against the Borrower or its properties in the courts of any jurisdiction.

(b) The Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this agreement or the other Loan Documents in any New York State or Federal court. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

Section 9.16 CONFIDENTIALITY. (d) Each Bank agrees to keep confidential (and to cause its respective officers, directors, employees, agents and representatives to keep confidential) the Information (as defined below), except that any Bank shall be permitted to disclose Information (i) to such of its officers, directors, employees, agents and representatives (including outside counsel) as need to know such Information; (ii) to the extent required by applicable laws and regulations or by any subpoena or similar legal process, or requested by any bank regulatory authority (provided that such Bank shall, except (A) as prohibited by law and (B) for Information requested by any such bank regulatory authority, promptly notify Borrower of the circumstances and content of each such disclosure and shall request confidential treatment of any information so disclosed); (iii) to the extent such Information (A) becomes publicly available other than as a result of a breach of this Agreement, (B) becomes available to such Bank on a non-confidential basis from a source other than the Borrower or its Affiliates or (C) was available to such Bank on a non-confidential basis prior to its disclosure to such Bank by the Borrower or its Affiliates; or (iv) to the extent the Borrower shall have consented to such disclosure in writing. As used in this Section 9.16, as to any Bank, "Information" shall mean any financial statements, materials, documents and other information that the Borrower or any of its Affiliates may have furnished or made available or may hereafter furnish or make available to the Agent or any Bank in connection with this Agreement or any other materials prepared by any such person from any of the foregoing.

IN WITNESS WHEREOF, the Borrower, the Agent and the Banks have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

THE E. W. SCRIPPS COMPANY, as Borrower,

By /s/ E. John Wolfzorn

Name: E. John Wolfzorn
Title: Treasurer

JPMORGAN CHASE BANK, individually and as Administrative Agent,

By

Name:
Title:

J.P. MORGAN SECURITIES INC.

By

Name:
Title:

IN WITNESS WHEREOF, the Borrower, the Agent and the Banks have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

THE E. W. SCRIPPS COMPANY, as Borrower,

By

Name: E. John Wolfzorn
Title: Treasurer

JPMORGAN CHASE BANK, individually and as Administrative Agent,

By /s/ James L. Stone

Name: James L. Stone
Title: Managing Director

J.P. MORGAN SECURITIES INC.

By /s/ Patricia H. Deans

Name: Patricia H. Dean
Title: Managing Director

SUNTRUST BANK

By: /s/ Thomas C. Palmer

    Name: Thomas C. Palmer
    Title: Managing Director

KEYBANK NATIONAL ASSOCIATION

By: /s/ Brendan A. Lawlor

    Name: Brendan A. Lawlor
    Title: Vice President

MELLON BANK, N.A.

By: /s/ Thomas J. Tarasovich, Jr.

Name: Thomas J. Tarasovich, Jr.
Title: Lending Officer

WACHOVIA BANK, N.A.

By: /s/ J. Timothy Toler

    Name: J. Timothy Toler
    Title: Director

US BANK N.A.

By: /s/ Richard W. Neltner

    Name: Richard W. Neltner
    Title: Senior Vice President

FIFTH THIRD BANK

By: /s/ Christine L. Wagner

Name: Christine L. Wagner
Title: Assistant Vice President

UNION BANK OF CALIFORNIA, N.A.

By: /s/ Stender E. Sweeney II

    Name: Stender E. Sweeney II
    Title: Vice President

MERRILL LYNCH BANK USA

By: /s/ D. Kevin Imlay

    Name: D. Kevin Imlay
    Title: Senior Credit Officer

WELLS FARGO BANK N.A.

By: /s/ Catherine M. Jones

    Name: Catherine M. Jones
    Title: Vice President

PNC BANK, NATIONAL ASSOCIATION

By: /s/ Bruce A. Kintner

    Name: Bruce A. Kintner
    Title: Vice President

FIRST TENNESSEE BANK NATIONAL ASSOCIATION

By: /s/ James H. Atchley

    Name: James H. Atchley
    Title: Senior Vice President

Exhibit 10.3

SHARE PURCHASE AGREEMENT

SHARE PURCHASE AGREEMENT

between

SHOP AT HOME, INC.

and

SCRIPPS NETWORKS, INC.

August 14, 2002

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SHARE PURCHASE AGREEMENT

This Agreement is made as of August 14, 2002, by Scripps Networks, Inc., a Delaware corporation ("Buyer"), and Shop At Home, Inc., a Tennessee corporation ("Seller").

RECITALS

Seller owns 1,000 common shares, without par value, of SAH Holdings, Inc., an Ohio corporation ("Holding Company"), constituting all of Holding Company's outstanding shares.

Seller desires to sell, and Buyer desires to purchase, 800 common shares, without par value, of Holding Company (the "Shares") for the consideration and on the terms set forth in this Agreement.

AGREEMENT

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

ARTICLE I. DEFINITIONS

Section 1.1 Definitions. For purposes of this Agreement, the following terms have the meanings specified in this Section:

"1934 Act" means the Securities Exchange Act of 1934, as amended, or any successor law, and rules and regulations issued pursuant thereto.

"Affiliate" means, with respect to any Person, any other Person (i) that directly, or indirectly through one or more intermediaries, controls or is controlled by or is under common control with such Person, (ii) that is a general partner, director, manager, trustee or principal officer of, or a limited partner owning more than 10% of, or that serves in a similar capacity with respect to, such Person, or (iii) of which such Person is a general partner, director, manager, trustee or principal officer or a limited partner owning more than 10% of, or with respect to which such Person serves in a similar capacity. For purposes of this definition, "control" means the possession, directly or indirectly, of the power to direct or to cause the direction of the management or policies of the Person in question through the ownership of voting securities or by contract or otherwise.

"Affiliation Agreement" means the letter agreement to be entered into between Seller and Operating Company prior to or at the Closing pertaining to the provision of programming by the Network to Seller's owned television stations.

"Assets and Liabilities Statement" is defined in Section 3.4(a).

"Buyer" is defined in the first paragraph of this Agreement.

"Closing" is defined in Section 2.4.

"Closing Date" means the date and time as of which the Closing actually takes place.

"Communications Act" means the Communications Act of 1934, as amended and the rules and regulations promulgated thereunder.

"Companies" means collectively Holding Company and Operating Company and a "Company" means either Holding Company or Operating Company.

"Confidentiality Agreement" means the Confidentiality Agreement between The E.W. Scripps Company and Seller dated March 11, 2002.

"Consent" means any approval, consent, ratification, waiver, or other authorization (including any Governmental Authorization).

"Contemplated Transactions" means all of the transactions contemplated by this Agreement, including: (a) the transfer by Seller to Holding Company or Operating Company of the Network Assets and Network Liabilities, (b) the sale of the Shares by Seller to Buyer; (c) the execution, delivery, and performance of the Transaction Documents; (d) the performance by Buyer and Seller of their respective covenants and obligations under this Agreement; and (e) Buyer's acquisition and ownership of the Shares and exercise of control over Holding Company.

"Contract" means any agreement, contract, obligation, promise, or undertaking (whether written or oral and whether express or implied).

"Damages" is defined in Section 11.2.

"Encumbrance" means any charge, claim, community property interest, condition, equitable interest, lien, option, pledge, security interest, right of first refusal, or restriction of any kind, including any restriction on use, voting, transfer, receipt of income, or exercise of any other attribute of ownership.

"Environment" means soil, land surface or subsurface strata, surface waters (including navigable waters, ocean waters, streams, ponds, drainage basins, and wetlands), groundwater, drinking water supply, stream sediments, ambient air (including indoor air), plant and animal life, and any other environmental medium or natural resource.

"Environmental, Health, and Safety Liabilities" means any cost, damages, liability or other obligation arising under Environmental Law or Occupational Safety and Health Law and consisting of or relating to (a) any environmental, health, or safety matters or conditions (including on-site or off-site contamination, occupational safety and health, and regulation of chemical substances or products); (b) fines, penalties, judgments, awards, settlements, legal or administrative proceedings, damages, losses, claims, demands and response, investigative, remedial, or inspection costs and expenses arising under Environmental Law or Occupational

Safety and Health Law; (c) financial responsibility under Environmental Law or Occupational Safety and Health Law for cleanup costs or corrective action, including any investigation, cleanup, removal, containment, or other remediation or response actions ("Cleanup") required by applicable Environmental Law or Occupational Safety and Health Law (whether or not such Cleanup has been required or requested by any Governmental Body or other Person) and for any natural resource damages; or (d) any other compliance, corrective, investigative, or remedial measures required under Environmental Law or Occupational Safety and Health Law. The terms "removal," "remedial," and "response action" include the types of activities covered by the U.S. Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §9601 et seq., as amended.

"Environmental Law" means any Legal Requirement that requires or relates to: (a) advising appropriate authorities, employees, and the public of intended or actual releases of pollutants or hazardous substances or materials, violations of discharge limits, or other prohibitions and of the commencements of activities that could have significant impact on the Environment; (b) preventing or reducing to acceptable levels the release of pollutants or hazardous substances or materials into the Environment; (c) reducing the quantities, preventing the release, or minimizing the hazardous characteristics of wastes that are generated; (d) assuring that products are designed, formulated, packaged, and used so that they do not present unreasonable risks to human health or the Environment when used or disposed of; (e) protecting resources, species, or ecological amenities; (f) reducing to acceptable levels the risks inherent in the transportation of hazardous substances, pollutants, oil, or other potentially harmful substances; (g) cleaning up pollutants that have been released, preventing the threat of release, or paying the costs of such clean up or prevention; or (h) making responsible parties pay private parties for damages done to their health or the Environment, or permitting self-appointed representatives of the public interest to recover for injuries done to public assets.

"ERISA" means the Employee Retirement Income Security Act of 1974 or any successor law, and rules and regulations issued pursuant to thereto.

"FTE Subscribers" is defined in Section 3.24.

"Facilities" means any real property, leaseholds, or other interests currently or formerly owned or operated by Seller with respect to the Network or by Operating Company and any buildings, plants, structures, or equipment currently or formerly owned or operated by Seller with respect to the Network or by Operating Company.

"FCC" means the Federal Communications Commission.

"GAAP" means generally accepted United States accounting principles, applied on a consistent basis.

"Governmental Authorization" means any approval, consent, license, permit, waiver, or other authorization issued, granted, given, or otherwise made available by or under the authority of any Governmental Body or pursuant to any Legal Requirement.

"Governmental Body" means any: (a) nation, state, county, city, town, village, district, or other jurisdiction of any nature; (b) federal, state, local, municipal, foreign, or other government; (c) governmental or quasi-governmental authority of any nature (including any governmental agency, branch, department, official, or entity and any court or other tribunal); (d) multi-national organization or body; or (e) body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory, or taxing authority or power of any nature.

"HSR Act" is defined in Section 7.2.

"Hazardous Activity" means the distribution, generation, handling, importing, management, manufacturing, processing, production, refinement, Release, storage, transfer, transportation, treatment, or use (including any withdrawal or other use of groundwater) of Hazardous Materials in, on, under, about, or from the Facilities or any part thereof into the Environment, and any other act, business, operation, or thing that increases the danger, or risk of danger, or poses an unreasonable risk of harm to persons or property on or off the Facilities, or that may affect the value of the Facilities or the Companies.

"Hazardous Materials" means any waste or other substance that is listed, defined, designated, or classified as, or otherwise determined to be, hazardous, radioactive, or toxic or a pollutant or a contaminant under any Environmental Law, including any admixture or solution thereof.

"Holding Company" is defined in the Recitals to this Agreement.

"Holding Company Contribution Agreement" means the Contribution and Assumption Agreement to be entered into by Seller and Holding Company immediately prior to the Closing, the form of which is attached hereto as Exhibit 1.1A.

"IRC" means the Internal Revenue Code of 1986 or any successor law, and regulations issued by the IRS pursuant thereto.

"IRS" means the U.S. Internal Revenue Service or any successor agency, and, to the extent relevant, the U.S. Department of the Treasury.

"Intellectual Property Assets" is defined in Section 3.21.

An individual will be deemed to have "Knowledge" of a particular fact or matter if he or she is actually aware of such fact or matter or if a prudent individual could be expected to discover or otherwise become aware of such fact or matter in the course of conducting a reasonably comprehensive investigation concerning the existence of such fact or matter. A Person other than an individual will be deemed to have "Knowledge" of a particular fact or matter if any individual who is serving as a director, executive officer, member, governor, manager (with respect to a partnership or limited liability company), partner, executor, or trustee of such Person (or in any similar capacity) has, or at any time had, Knowledge of such fact or matter in accordance with the preceding sentence.

"Legal Requirement" means any order, constitution, law, ordinance, principle of common law, regulation, statute, or treaty of any Governmental Body.

"Network" means a home shopping cable television network and interactive web-based business called the Shop At Home Network.

"Network Assets" means the "Membership Interest" and the "Network Employee Rights" under the Holding Company Contribution Agreement, and the "Contributed Assets" under the Operating Company Contribution Agreement.

"Network Liabilities" means the "Assumed Liabilities" under the Holding Company Contribution Agreement and the Operating Company Contribution Agreement.

"Network Intangible Rights" means all domestic or foreign patents, patent applications, written invention disclosures to be filed or awaiting filing determinations, trademark and service mark applications, registered trademarks, registered service marks, uniform resource locators, domain names, franchises, trade names, jingles, slogans, logotypes, copyrights and other intangible rights owned, leased or licensed by Seller or the Companies in connection with the Network.

"Occupational Safety and Health Law" means any Legal Requirement designed to provide safe and healthful working conditions and to reduce occupational safety and health hazards, and any program, whether governmental or private (including those promulgated or sponsored by industry associations and insurance companies), designed to provide safe and healthful working conditions.

"Operating Company" means Partners – SATH L.L.C., a Tennessee limited liability company, which is currently owned 99% by Seller and 1% by SAH Acquisition, but which will, upon consummation of the Contemplated Transactions, be owned 87.5% by Holding Company, 11.5% by Seller and 1% by SAH Acquisition.

"Operating Company Contribution Agreement" means the Contribution and Assumption Agreement to be entered into by Seller, SAH Acquisition and Operating Company immediately prior to the Closing (or earlier upon receipt of consent of Seller's senior lender and Buyer), the form of which is attached hereto as Exhibit 1.1B.

"Operating Company LLC Agreement" means the Amended and Restated Operating Agreement among Holding Company, Seller, SAH Acquisition and Operating Company to be entered into at the Closing.

"Order" means any award, decision, injunction, judgment, order, ruling, subpoena or verdict entered, issued, made, or rendered by any court, administrative agency or other Governmental Body or by any arbitrator.

"Ordinary Course of Business" means an action taken by a Person only if: (a) such action is consistent with the past practices of such Person and is taken in the ordinary course of such

Person's normal day-to-day operations; (b) such action is not required to be authorized by such Person's board of directors or managers (or by any Person or group of Persons exercising similar authority) and is not required to be specifically authorized by such Person's parent company (if any) or other equity holders; and (c) such action is similar in nature and magnitude to actions customarily taken, without any authorization by the board of directors or managers (or by any Person or group of Persons exercising similar authority), in the ordinary course of the normal day-to-day operations of other Persons that are in the same line of business as such Person.

"Organizational Documents" means (a) the articles or certificate of incorporation and bylaws or code of regulations of a corporation; or (b) the articles of organization or certificate of formation or similar document and limited liability company agreement or operating agreement or similar document of a limited liability company; (c) any charter or similar document adopted or filed in connection with the creation, formation, or organization of a Person; and (d) any amendment to any of the foregoing.

"Participation Agreement" means the letter agreement referred to in Section 8.4(g).

"Person" means any individual, corporation (including any non-profit corporation), general or limited partnership, limited liability company, joint venture, estate, trust, association, organization, labor union, or other entity or Governmental Body.

"Plan" is defined in Section 3.13.

"Proceeding" means any action, arbitration, audit, hearing, investigation, litigation, or suit (whether civil, criminal, administrative, investigative, or informal) commenced, brought, conducted, or heard by or before, or otherwise involving, any Governmental Body or arbitrator.

"Programming Assets" means all programs, programming, performances, productions, content and related materials of any nature whatsoever, and all elements thereof, whether intended for television broadcast or other exhibition over any other medium (including, but not limited to, the Internet) as a live performance, a pre-recorded performance or otherwise, whether completed or in process or production, in whatever form or media the same may be recorded, including, but not limited to, documents, drawings, films, tapes, compact discs, and any other digital or digitized formats (collectively, the "Programming Materials"), all related common law and statutory Network Intangible Rights in the Programming Materials and all rights, releases, clearances, and licenses granted to Seller by third parties (including, but not limited to, persons appearing in, or performing services in connection with the exhibition and syndication of, any of the Programming Materials) with respect to such third parties' Third-Party Intangible Rights in the Programming Materials.

"Promotional Assets" means all sales support, advertising, marketing and promotional materials of any nature whatsoever, including, but not limited to, interstitial promotional materials, and all elements thereof (including, but not limited to, all advertiser files, information, lists and rate cards, all catalogs, data, drawings, designs, files, price lists and subscriber information, files and lists, and all other records and other documents related thereto), whether intended for television broadcast or other exhibition over or in any other medium (including, but

not limited to, the Internet and any print media) as a live performance, a pre-recorded performance or otherwise, whether completed or in process or production, in whatever form or media the same may be recorded, including, but not limited to, documents, drawings, films, tapes, compact discs, and any other digital or digitized formats (collectively, the "Promotional Materials"), all related common law and statutory Network Intangible Rights in the Promotional Materials and all rights, releases, clearances, and licenses granted to Seller by third parties (including, but not limited to, persons appearing in, or performing services in connection with the exhibition and syndication of, any of the Promotional Materials) with respect to such third parties' Third-Party Intangible Rights in the Promotional Materials.

"Proxy Statement" is defined in Section 5.8.

"Release" means any spilling, leaking, emitting, discharging, depositing, escaping, leaching, dumping, or other releasing into the Environment, whether intentional or unintentional.

"Representative" means with respect to a particular Person, any director, officer, member, manager, employee, agent, consultant, advisor, or other representative of such Person, including legal counsel, accountants, and financial advisors.

"SAH Acquisition" means SAH Acquisition Corporation, a Tennessee corporation wholly owned by Seller.

"SEC" means the U.S. Securities and Exchange Commission or any successor agency.

"Section 338(h)(10) Election" is defined in Section 7.2.

"Securities Act" means the Securities Act of 1933, as amended, or any successor law, and rules and regulations issued pursuant thereto.

"Seller" is defined in the first paragraph of this Agreement.

"Shareholder Agreement" means the Shareholder Agreement among Seller, Buyer and Holding Company to be entered at the Closing.

"Shareholder Approval" is defined in Section 5.7.

"Shareholders Meeting" is defined in Section 5.8.

"Shareholders Vote" is defined in Section 5.8.

"Shares" is defined in the Recitals of this Agreement.

"Subscriber" means a household that receives Shop at Home Network in a distribution system, including but not limited to, any cable television system, MATV and SMATV systems, MMDS, TVRO and other wireline, wireless and direct broadcast satellite delivery methods, in all cases, whether analog or digital, in the United States and its territories and possessions.

"Tax" means (a) any net income, alternative or add-on minimum tax, gross income, gross receipts, sales, use, ad valorem, value added, franchise, profits, license, withholding on amounts paid to or by Seller or a Company, payroll, employment, excise, severance, stamp occupation, premium, property, environmental or windfall profit tax, custom, duty or other tax, governmental fee or other like assessment or charge of any kind whatsoever, together with any interest or any penalty, addition to tax or additional amount imposed by any Governmental Body responsible for the imposition of any such tax (domestic or foreign), (b) any liability of Seller or a Company for the payment of any amounts of the type described in clause (a) as a result of being a member of an affiliated, consolidated, combined or unitary group for any period prior to the Closing, and (c) any liability of Seller or a Company for the payment of any amounts of the type described in clause (a) as a result of any express or implied obligation to indemnify any other Person..

"Tax Return" means any return (including any information return), report, statement, schedule, notice, form, or other document or information filed with or submitted to, or required to be filed with or submitted to, any Governmental Body in connection with the determination, assessment, collection, or payment of any Tax or in connection with the administration, implementation, or enforcement of or compliance with any Legal Requirement relating to any Tax.

"Tax Sharing Agreement" means the Tax Sharing Agreement referenced in Section 8.4(h).

"Third Party Intangible Rights" means third parties' literary, artistic, trademark, copyright, music performance, master use, synchronization and other similar intellectual property rights and their publicity, privacy and publishing rights.

A claim, Proceeding, dispute, action, or other matter will be deemed to have been "Threatened" if any demand or statement has been made (orally or in writing) or any notice has been given (orally or in writing), or if any other event has occurred or any other circumstances exist, that would lead a prudent Person to conclude that such a claim, Proceeding, dispute, action, or other matter is likely to be asserted, commenced, taken, or otherwise pursued in the future.

"Transaction Documents" means this Agreement, the Shareholder Agreement, the Operating Company LLC Agreement, the Affiliation Agreement, the Confidentiality Agreement, the Participation Agreement, and the Tax Sharing Agreement.

ARTICLE II. SALE AND TRANSFER OF SHARES; CLOSING

Section 2.1 Shares. Subject to the terms and conditions of this Agreement, at the Closing, Seller shall sell and transfer the Shares to Buyer, and Buyer shall purchase the Shares from Seller.

Section 2.2 Purchase Price. The purchase price (the "Purchase Price") for the Shares is $49,500,000.00.

Section 2.3 Closing. The purchase and sale provided for in this Agreement (the "Closing") will take place at the offices of Bone McAllester Norton PLLC at 424 Church Street, Suite 900, Nashville, Tennessee, at 10:00 a.m. (local time) on October 17, 2002 or at such other time and place as the parties may agree. Subject to Article IX, failure to consummate the Closing on the date and time determined pursuant to this Section will not result in the termination of this Agreement and will not relieve any party of any obligation under this Agreement. At the Closing, Buyer shall pay the Purchase Price to Seller by wire transfer to an account specified by Seller.

ARTICLE III. REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer as follows:

Section 3.1 Organization and Good Standing.

(a) Seller is a corporation duly organized, validly existing, and in good standing under the laws of the State of Tennessee, with full corporate power and authority to conduct its business as it is now being conducted, to own or use the properties and assets that it purports to own or use, and to perform all its obligations under this Agreement and the other Transaction Documents to which it is a party. Seller is duly qualified to do business as a foreign corporation and is in good standing under the laws of each state or other jurisdiction in which either the ownership or use of the properties owned or used by it, or the nature of the activities conducted by it, requires such qualification, except where the failure to be so qualified would not have a material adverse effect on Seller.

(b) Holding Company is a corporation duly organized, validly existing, and in good standing under the laws of the State of Ohio, with full corporate power and authority to own the assets that it purports to own and to perform all its obligations under this Agreement and the other Transaction Documents to which it is a party. Holding Company does not own and has never owned any assets. Holding Company does not conduct and has never conducted any business.

(c) Operating Company is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of Tennessee, with full power and authority to own or use the properties and assets that it purports to own or use, and to perform all its obligations under the other Transaction Documents to which it is a party. Operating Company currently owns only certain real estate located at 5388 Hickory Hollow Parkway and certain fixtures and rights related thereto and such property constitutes the only assets ever owned by Operating Company. Operating Company does not conduct and has never conducted any business other than the ownership and operation of such property.

(d) Seller has delivered to Buyer copies of its and each Company's Organizational Documents, as currently in effect.

Section 3.2 Authority; No Conflict.

(a) This Agreement constitutes the legal, valid, and binding obligation of Seller, enforceable against Seller in accordance with its terms. Upon the execution and delivery by Seller and the Companies of each other Transaction Document to which any of them is a party, such Transaction Documents will constitute the legal, valid, and binding obligations of Seller and the Companies, as applicable, enforceable against Seller or the Company in accordance with their respective terms. Each of Seller and each Company has the absolute and unrestricted right, power and authority to execute and deliver the Transaction Documents to which it is a party and to perform its obligations thereunder. Seller's Board of Directors has approved the Contemplated Transactions and has resolved to recommend the Contemplated Transactions for Shareholder Approval.

(b) Except as set forth in Schedule 3.2, neither the execution and delivery of this Agreement nor the consummation or performance of any of the Contemplated Transactions will, directly or indirectly (with or without notice or lapse of time):

(i) contravene, conflict with, or result in a violation of (A) any provision of the Organizational Documents of Seller or either Company, or (B) any resolution adopted by the board of directors or the stockholders of Seller or Holding Company or the member or managers of Operating Company;

(ii) contravene, conflict with, or result in a violation of, or give any Governmental Body or other Person the right to challenge any of the Contemplated Transactions, or to exercise any remedy or obtain any relief under, any Legal Requirement or any Order to which Seller or a Company, or any of the assets owned or used by Seller or a Company, may be subject;

(iii) contravene, conflict with, or result in a violation of any of the terms of, or give any Governmental Body the right to revoke, withdraw, suspend, cancel, terminate, or modify, any Governmental Authorization that is held by Seller or a Company or that otherwise relates to the business of, or any of the assets owned or used by, Seller or a Company;

(iv) cause Buyer or a Company to become subject to, or to become liable for the payment of, any Tax;

(v) cause any of the assets owned or used by Seller or a Company to be reassessed or revalued by any taxing authority or other Governmental Body;

(vi) contravene, conflict with, or result in a violation or breach of any provision of, or give any Person the right to declare a default or exercise any remedy under, or to accelerate the maturity or performance of, or to cancel, terminate, or modify, any Contract to which Seller or a Company is bound;

(vii) result in the imposition or creation of any Encumbrance upon or with respect to any of the assets owned or used by Seller or a Company; or

(viii) contravene, conflict with, or result in a violation, breach, or acceleration of any provision of any employment agreement between Seller and any employee of Seller.

Except as set forth in Schedule 3.2, neither Seller nor a Company is or will be required to give any notice to or obtain any Consent from any Person in connection with the execution and delivery of this Agreement or the consummation or performance of any of the Contemplated Transactions.

Section 3.3 Capitalization. The authorized capital shares of Holding Company consist solely of 1,500 common shares. The Shares constitute all of the outstanding shares of Holding Company. Seller is and will be on the Closing Date the record and beneficial owner and holder of all of the Shares of Holding Company, free and clear of all Encumbrances. All of the Shares are duly authorized, validly issued, fully paid and nonassessable, and were issued in conformity with all applicable state and federal securities laws. Holding Company has no other equity securities of any class issued, reserved for issuance, or outstanding. There are no outstanding options, offers, warrants, conversion rights, agreements, or other rights to subscribe for or to purchase from Holding Company. No shares of Holding Company carry, and no shareholder of Holding Company has been granted, any preemptive rights. Holding Company is not obligated under any agreement, arrangement or understanding to redeem or otherwise purchase any of its shares. Seller and SAH Acquisition are the record and beneficial owners and holders of 99% and 1%, respectively, of the outstanding membership interests of Operating Company, free and clear of all Encumbrances. Other than as contemplated by this Agreement, there are no Contracts relating to the issuance, sale, or transfer of any equity or other securities of either Company. Neither Company owns, nor has a Contract to acquire, any equity securities or other securities of any Person or any direct or indirect equity or ownership interest in any other business.

Section 3.4 Financial Statements.

(a) Since June 30, 1997, Seller has filed all reports, schedules, forms, statements and other documents required to be filed by it with the SEC pursuant to the reporting requirements of the 1934 Act (all of the foregoing filed prior to the date hereof and all exhibits included therein and financial statements and schedules thereto and documents incorporated by reference therein being hereinafter referred to as the "SEC Documents"). A complete list of the SEC Documents is set forth on Schedule 3.4. As of their respective dates, the SEC Documents complied in all material respects with the requirements of the 1934 Act. None of the SEC Documents, at the time they were filed with the SEC, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. As of their respective dates, Seller's financial statements included in the SEC Documents complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto. Such financial statements have been prepared in accordance with GAAP (except as may be otherwise indicated in such financial statements or the notes thereto, or in the case of unaudited interim statements, to the extent they may exclude footnotes or may be condensed or summary statements) and fairly present in all material respects

the consolidated financial position of Seller as of the dates thereof and the consolidated results of its operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments). No other information provided by or on behalf of Seller to Buyer that is not included in the SEC Documents contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstance under which they are or were made, not misleading.

(b) Schedule 3.4(b) includes a statement of assets and liabilities of the Network as of June 30, 2002 (the "Assets and Liabilities Statement"). The Assets and Liabilities Statement was prepared in accordance with the books and records of Seller (which are and have been maintained in accordance with GAAP, consistently applied), were prepared in good faith in accordance with sound internal accounting practices, consistently applied, subject to the assumptions stated therein, and present fairly in all material respects the financial condition of the Network at June 30, 2002.

Section 3.5 Books and Records. The books of account, minute books, stock record books, and other records of Seller and each Company, all of which have been made available to Buyer, are complete and correct and have been maintained in accordance with sound business practices. Seller maintains a system of internal accounting controls sufficient to provide reasonable assurance that (a) transactions are executed in accordance with management's general or specific authorizations, (b) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset accountability, (c) access to assets is permitted only in accordance with management's general or specific authorization and (d) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. The minute books of Seller and each Company contain accurate and complete records of all meetings held of, and action taken by, the stockholders or members and Board of Directors, managers, and committees thereof, and no meeting of any such stockholders, members, Board of Directors, managers, or committee has been held for which minutes have not been prepared and are not contained in such minute books except for certain meetings held after June 16, 2002 solely for the purpose of considering the Contemplated Transactions (each of which will be provided to Buyer as soon as they are available and in no event later than the Closing). At the Closing, each Company will be in possession of all of its books and records.

Section 3.6 Title to Properties; Encumbrances. Schedule 3.6 contains a complete and accurate list of all real property, leaseholds, or other interests therein owned or used by the Network. Seller has made available to Buyer all policies of title insurance, surveys, deeds and other documents vesting title in or containing restrictions on the ownership or use of any real property owned or used by the Network. Seller or a Company owns (with good and marketable title in the case of real property, subject only to the matters permitted by the following sentence) all the properties and assets (whether real, personal, or mixed and whether tangible or intangible) that it purports to own located in the facilities owned or operated by it or reflected as owned in its books and records. Except as set forth on Schedule 3.6, all properties and assets of Seller and each Company are free and clear of all Encumbrances and are not, in the case of real property, subject to any rights of way, building use restrictions, exceptions, variances, reservations, or

limitations of any nature except, with respect to all such properties and assets, liens for current taxes not yet due and with respect to real property, (a) minor imperfections of title, if any, none of which is substantial in amount, materially detracts from the value or impairs the use of the property subject thereto, or impairs the operations of the Network, and (b) zoning laws and other land use restrictions that do not impair the present or anticipated use of the property subject thereto. All buildings, plants, and structures owned by Seller or a Company lie wholly within the boundaries of the real property owned by such entity and do not encroach upon the property of, or otherwise conflict with the property rights of, any other Person.

Section 3.7 Condition and Sufficiency of Assets. The buildings, plants, structures, and equipment constituting the Network Assets are structurally sound, are in good operating condition and repair, and are adequate for the uses to which they are being put, and none of such buildings, plants, structures, or equipment is in need of maintenance or repairs except for ordinary, routine maintenance and repairs that are not material in nature or cost. The building, plants, structures, and equipment constituting the Network Assets are sufficient for the continued conduct of the Companies' business after the Closing in substantially the same manner as conducted by Seller prior to the Closing and constitute all of the assets necessary to operate the Network as previously operated by Seller.

Section 3.8 Accounts Receivable; Reserves for Returns and Charge Backs. All accounts receivable of Seller that are reflected on the Network accounting records of Seller as of the Closing Date (collectively, the "Accounts Receivable") represent or will represent valid obligations arising from sales actually made or services actually performed in the Ordinary Course of Business. Unless paid prior to the Closing Date, the Accounts Receivable are or will be as of the Closing Date current and collectible by the Companies, net of the respective reserves shown on the accounting records of Seller. Subject to such reserves, each of the Accounts Receivable either has been or will be collected in full, without any set-off, within 90 days after the day on which it first becomes due and payable. There is no contest, claim, or right of set-off, other than returns in the Ordinary Course of Business, under any Contract with any obligor of an Accounts Receivable relating to the amount or validity of such Accounts Receivable. Schedule 3.8 contains a complete and accurate list of all Accounts Receivable as of June 30, 2002, which list sets forth the aging of such Accounts Receivable. The reserves for returns shown on the Network accounting records of Seller are adequate and calculated consistent with past practice.

Section 3.9 Inventory. All inventory of Seller relating to the Network consists of a quality and quantity usable and salable in the Ordinary Course of Business, except for obsolete items and items of below-standard quality, all of which have been written off or written down to net realizable value on the Network accounting records of Seller as of June 30, 2002. All inventories not written off have been priced on an average cost basis. The quantities of each item of inventory (whether raw materials, work-in-process, or finished goods) are not excessive, but are reasonable in the present circumstances of Seller.

Section 3.10 No Undisclosed Liabilities. Except as set forth in Schedule 3.10, Seller has no liabilities or obligations of any nature (whether known or unknown and whether absolute, accrued, contingent, or otherwise) related to the Network except for liabilities or

obligations reflected or reserved against on the face of the Assets and Liabilities Statement and current liabilities incurred in the Ordinary Course of Business since June 30, 2002.

Section 3.11 Taxes.

(a) Seller and the Companies have timely filed or caused to be timely filed all Tax Returns that are or were required to be filed by or with respect to any of them, either separately or as a member of a group of entities, pursuant to applicable Legal Requirements and all Taxes owed by Seller and the Companies have been timely paid. All such Tax Returns are true, correct and complete. Seller has made available to Buyer copies of all such Tax Returns filed since June 30, 1993. Schedule 3.11 contains a complete and accurate list of all income Tax Returns filed since June 30, 1993. Seller and the Companies have paid, or made provision for the payment of, all Taxes that have or may have become due pursuant to all Tax Returns or otherwise, or pursuant to any assessment received by Seller or a Company, except such Taxes, if any, as are listed in Schedule 3.11 and are being contested in good faith and as to which adequate reserves (determined in accordance with GAAP) have been provided in the applicable accounting records.

(b) The United States federal and state income Tax Returns of Seller and the Companies subject to such Taxes have been audited by the IRS or relevant state tax authorities or are closed by the applicable statute of limitations for all taxable years through June 30, 1998. Schedule 3.11 contains a complete and accurate list of all audits of all such Tax Returns, including a reasonably detailed description of the nature and outcome of each audit. All deficiencies proposed as a result of such audits have been paid, reserved against, settled, or, as described in Schedule 3.11, are being contested in good faith by appropriate proceedings. Schedule 3.11 describes all adjustments to the United States federal and state income Tax Returns filed by Seller or a Company or any group of corporations including Seller or a Company for all taxable years since June 30, 1993, and the resulting deficiencies proposed by the IRS or state authorities. Except as described in Schedule 3.11, neither Seller nor a Company has given or been requested to give waivers or extensions (or is or would be subject to a waiver or extension given by any other Person) of any statute of limitations relating to the payment of Taxes of Seller or a Company or for which Seller or a Company may be liable.

(c) The charges, accruals, and reserves with respect to Taxes on the respective books of Seller and each Company are adequate (determined in accordance with GAAP) and are at least equal to Seller's and such Company's respective liability for Taxes. There exists no proposed Tax assessment against Seller or either Company except as disclosed in Schedule 3.11. All Taxes that Seller or a Company is or was required by Legal Requirements to withhold or collect have been duly withheld or collected and, to the extent required, have been paid to the proper Governmental Body or other Person.

(d) Except as set forth on Schedule 3.11, (i) none of Seller or the Companies has made with respect to Seller or the Companies, or any property held by the Companies any consent under IRC §341(f), (ii) no property of the Companies is "tax exempt use property" within the meaning of IRC §168(h), (iii) none of the Companies is a party to any lease made pursuant to §168(f)(8) of the Internal Revenue Code of 1954, and (iv) none of Seller or the Companies has agreed or is required to make any adjustment under IRC §481(a) by reason of a

change in method of accounting or otherwise that will affect the liability of Seller or the Companies for Taxes.

(e) Except as set forth on Schedule 3.11, Seller and the Companies have withheld and paid all Taxes required by law to have been withheld and paid and have complied in all respects with all rules and regulations relating to the withholding or remittance of Taxes (including, without limitation, employee-related Taxes).

(f) Except as set forth on Schedule 3.11, none of the Companies is a party to an Contract or arrangement that, individually or collectively, would give rise to any payment (whether in cash or property) that would not be deductible pursuant to IRC §§162(a)(1), 162(m), 162(n) or 280G.

(g) None of Seller or the Companies is a foreign person within the meaning of IRC §1445.

(h) Except as set forth on Schedule 3.11, (i) none of Seller or the Companies is a party to any Tax allocation, indemnity or sharing agreement; (ii) none of Seller or the Companies has any liability for Taxes of any Person (A) under Treasury Regulation §1.1502-6, (B) as transferee or successor, (C) by Contract, or (D) otherwise; and (iii) neither Seller nor the Companies has been a member of an affiliated group (as that term is defined in the IRC) filing a consolidated federal income Tax return other than a group the common parent of which was Seller.

Section 3.12 Employee Benefits. (a) As used in this Section, the following terms have the following meanings:

"Company Other Benefit Obligation" means an Other Benefit Obligation owed, adopted, or followed by Seller or an ERISA Affiliate.

"Company Plan" means all Plans of which Seller or an ERISA Affiliate is or was a Plan Sponsor, or to which Seller or an ERISA Affiliate otherwise contributes or has contributed, or in which Seller or an ERISA Affiliate otherwise participates or has participated.

"ERISA Affiliate" means any other Person that, together with Seller, would be treated as a single employer under IRC §414.

"Other Benefit Obligations" means all obligations, arrangements, or customary practices, whether or not legally enforceable, to provide benefits, other than salary or wages, as compensation for services rendered, to present or former directors, employees, or agents, other than obligations, arrangements, and practices that are Plans. Other Benefit Obligations include consulting agreements under which the compensation paid does not depend upon the amount of service rendered, sabbatical policies, severance payment policies, and fringe benefits within the meaning of IRC §132.

"PBGC" means the Pension Benefit Guaranty Corporation, or any successor thereto.

“Pension Plan” is defined in ERISA §3(2)(A).

“Plan” is defined in ERISA §3(3).

“Plan Sponsor” is defined in ERISA §3(16)(B).

“Qualified Plan” means any Company Plan that meets or purports to meet the requirements of IRC §401(a).

“Welfare Plan” is defined in ERISA §3(1).

(b) (i) Schedule 3.12(b)(i) contains a complete and accurate list of (A) all ERISA Affiliates, and (B) all Plans of which Seller or any such ERISA Affiliate is or was a Plan Sponsor, in which Seller or any such ERISA Affiliate participates or has participated, or to which Seller or any such ERISA Affiliate contributes or has contributed. Neither Seller nor any ERISA Affiliate has ever established, maintained, or contributed to or otherwise participated in, or had an obligation to maintain, contribute to, or otherwise participate in, any voluntary employees’ benefit association under IRC §501(c)(9), Pension Plan subject to Title IV of ERISA or multi-employer plan as defined in ERISA §3(37)(A). Neither Company has or has ever had any employees or sponsored any Plan or Other Benefit Obligation.

(ii) Schedule 3.12(b)(ii) contains a complete and accurate list of all Company Plans, Company Other Benefit Obligations and identifies as such all Company Plans that are defined benefit Pension Plans or Qualified Plans.

(iii) Schedule 3.12(b)(iii) sets forth a calculation of Seller’s liability for post-retirement benefits other than pensions, made in accordance with Financial Accounting Statement 106 of the Financial Accounting Standards Board, regardless of whether Seller is required by Statement 106 to disclose such information.

(iv) Schedule 3.12(b)(iv) sets forth the financial cost of all obligations owed under any Company Plan or Company Other Benefit Obligation that is not subject to the disclosure and reporting requirements of ERISA.

(c) Seller has delivered to Buyer:

(i) all documents that set forth the terms of each Company Plan, Company Other Benefit Obligation and of any related trust, including (A) all plan descriptions and summary plan descriptions of Company Plans for which Seller is required to prepare, file, and distribute plan descriptions and summary plan descriptions, and (B) all summaries and descriptions furnished to participants and beneficiaries regarding Company Plans and Company Other Benefit Obligations for which a plan description or summary plan description is not required;

(ii) all personnel, payroll, and employment manuals and policies;

(iii) all collective bargaining agreements pursuant to which contributions have been made or obligations incurred (including both pension and welfare benefits) by Seller and the ERISA Affiliates, and all collective bargaining agreements pursuant to which contributions are being made or obligations are owed by such entities;

(iv) a written description of any Company Plan or Company Other Benefit Obligation that is not otherwise in writing;

(v) all registration statements filed with respect to any Company Plan;

(vi) all insurance policies purchased by or to provide benefits under any Company Plan;

(vii) all contracts with third party administrators, actuaries, investment managers, consultants, and other independent contractors that relate to any Company Plan and Company Other Benefit Obligation;

(viii) all reports submitted within the four years preceding the date of this Agreement by third party administrators, actuaries, investment managers, consultants, or other independent contractors with respect to any Company Plan or Company Other Benefit Obligation;

(ix) all notifications to employees of their rights under ERISA §601 et seq. and IRC §4980B;

(x) the Form 5500 filed in each of the most recent three plan years with respect to each Company Plan, including all schedules thereto and the opinions of independent accountants;

(xi) all notices that were given by Seller or any ERISA Affiliate or any Company Plan to the IRS, PBGC, or any participant or beneficiary, pursuant to statute, within the four years preceding the date of this Agreement, including notices that are expressly mentioned elsewhere in this Section 3.12;

(xii) all notices that were given by the IRS, PBGC, or the Department of Labor to Seller, any ERISA Affiliate, or any Company Plan within the four years preceding the date of this Agreement; and

(xiii) the most recent determination letter for each Qualified Plan.

(d) Except as set forth in Schedule 3.12(d):

(i) Seller and each ERISA Affiliate have performed all of their respective obligations under all Company Plans and Company Other Benefit Obligations. Seller and each ERISA Affiliate have made appropriate entries in

their financial records and statements for all obligations and liabilities under such Plans and Obligations that have accrued but are not due.

(ii) No statement, either written or oral, has been made by Seller or any ERISA Affiliate to any Person with regard to any Plan or Other Benefit Obligation that was not in accordance with the Plan or Other Benefit Obligation and that could have, individually or in the aggregate, a material adverse economic consequence to a Company or Buyer.

(iii) Seller and each ERISA Affiliate, with respect to all Company Plans and Company Other Benefits Obligations are, and each Company Plan and Company Other Benefit Obligation is, in full compliance with ERISA, the IRC, and other applicable Legal Requirements, including the provisions of such Legal Requirements expressly mentioned in this Section 3.12, and with any applicable collective bargaining agreement.

(iv) No transaction prohibited by ERISA §406 and no "prohibited transaction" under IRC §4975(c) have occurred with respect to any Company Plan with respect to which there is no statutory or regulatory exemption.

(v) Seller has no liability to the IRS with respect to any Company Plan, including any liability imposed by Chapter 43 of the IRC.

(vi) Seller has no liability to the PBGC with respect to any Company Plan or has any liability under ERISA §502 or §4071.

(vii) All filings required by ERISA and the IRC as to each Company Plan have been timely filed, and all notices and disclosures to participants required by either ERISA or the IRC have been timely provided.

(viii) All contributions and payments made or accrued with respect to all Company Plans and Company Other Benefit Obligations are deductible under IRC §162 or §404. No amount, or any asset of any Company Plan is subject to tax as unrelated business taxable income.

(ix) Each Company Plan can be terminated within 30 days, without payment of any additional contribution or amount and without the vesting or acceleration of any benefits promised by such Plan.

(x) Since June 30, 1999, there has been no establishment or amendment of any Company Plan or Company Other Benefit Obligation.

(xi) No event has occurred or circumstance exists that could result in a material increase in premium costs of Company Plans and Company Other Benefit Obligations that are insured, or a material increase in benefit costs of such Plans and Obligations that are self-insured.

(xii) Other than claims for benefits submitted by participants or beneficiaries, no claim against, or legal proceeding involving, any Company Plan or Company Other Benefit Obligation is pending or, to Seller's Knowledge, Threatened.

(xiii) No Company Plan is a stock bonus or pension plan within the meaning of IRC §401(a).

(xiv) Each Qualified Plan is qualified in form and operation under IRC §401(a); each trust for each such Qualified Plan is exempt from federal income tax under IRC §501(a). No event has occurred or circumstance exists that will or could give rise to disqualification or loss of tax-exempt status of any such Qualified Plan or trust.

(xv) Seller and each ERISA Affiliate has met the minimum funding standard, and has made all contributions required, under ERISA §302 and IRC §402.

(xvi) Seller and each ERISA Affiliate has paid all amounts due to the PBGC pursuant to ERISA §4007.

(xvii) Neither Seller nor any ERISA Affiliate has filed a notice of intent to terminate any Company Plan or has adopted any amendment to treat a Company Plan as terminated. The PBGC has not instituted proceedings to treat any Company Plan as terminated. No event has occurred or circumstance exists that may constitute grounds under ERISA §4042 for the termination of, or the appointment of a trustee to administer, any Company Plan.

(xviii) No amendment has been made, or is reasonably expected to be made, to any Company Plan that has required or could require the provision of security under ERISA §307 or IRC §401(a)(29).

(xix) No accumulated funding deficiency, whether or not waived, exists with respect to any Company Plan; no event has occurred or circumstance exists that may result in an accumulated funding deficiency as of the last day of the current plan year of any Company Plan.

(xx) The actuarial report for each Pension Plan of Seller and each ERISA Affiliate fairly presents the financial condition and the results of operations of each such Pension Plan in accordance with GAAP.

(xxi) Since the last valuation date for each Pension Plan of Seller and each ERISA Affiliate, no event has occurred or circumstance exists that would increase the amount of benefits under any such Pension Plan or that would cause the excess of Pension Plan assets over benefit liabilities (as defined in ERISA §4001) to decrease, or the amount by which benefit liabilities exceed assets to increase.

(xxii) No reportable event (as defined in ERISA §4043 and in regulations issued thereunder) has occurred.

(xxiii) Seller has no Knowledge of any facts or circumstances that may give rise to any liability of Seller, a Company or Buyer to the PBGC under Title IV of ERISA.

(xxiv) Except to the extent required under ERISA §601 et seq. and IRC §4980B, neither Seller nor any ERISA Affiliate provides health or welfare benefits for any retired or former employee nor is it obligated to provide health or welfare benefits to any active employee following such employee's retirement or other termination of service.

(xxv) Seller has the right to modify and terminate benefits to retirees (other than Pension Plans) with respect to both retired and active employees.

(xxvi) Seller has complied with the provisions of ERISA §601 et seq. and IRC §4980B.

(xxvii) No payment that is owed or may become due to any director, officer, employee, or agent of Seller will be non-deductible to Seller or subject to tax under IRC §280G or §4999; nor will Seller be required to "gross up" or otherwise compensate any such Person because of the imposition of any excise tax on a payment to such Person.

(xxviii) The consummation of the Contemplated Transactions will not result in the payment, vesting, or acceleration of any benefit under any Company Plan or Company Other Benefit Obligation, nor will it trigger the payment of severance or termination pay under any policy, plan, procedure, practice or agreement to any employee of Seller.

(xxix) Seller is in material compliance with its obligations to its employees under the Health Insurance Portability and Accountability Act of 1996.

Section 3.13 Compliance; Governmental Authorizations.

(a) Except as set forth in Schedule 3.13(a):

(i) each of Seller and each Company is and at all times has been, in full compliance with each Legal Requirement that is or was applicable to it or to the conduct or operation of its business or the ownership or use of any of its assets;

(ii) no event has occurred or circumstance exists that (with or without notice or lapse of time) (A) may constitute or result in a violation by Seller or a Company of, or a failure on the part of Seller or a Company to comply with, any Legal Requirement, or (B) may give rise to any obligation on the part of Seller or

a Company to undertake, or to bear all or any portion of the cost of, any remedial action of any nature; and

(iii) neither Seller nor a Company has received any notice or other communication (whether oral or written) from any Governmental Body or any other Person regarding (A) any actual, alleged, possible, or potential violation of, or failure to comply with, any Legal Requirement, or (B) any actual, alleged, possible, or potential obligation on the part of Seller or a Company to undertake, or to bear all or any portion of the cost of, any remedial action of any nature.

(b) Schedule 3.13(b) contains a complete and accurate list of each Governmental Authorization that is held by Seller or each Company or that otherwise relates to the business of, or to any of the assets owned or used by, the Companies. Each Governmental Authorization listed or required to be listed in Schedule 3.13(b) is valid and in full force and effect. Except as set forth in Schedule 3.13(b):

(i) Seller and each Company is, and at all times has been, in full compliance with all of the terms and requirements of each Governmental Authorization identified or required to be identified in Schedule 3.13(b);

(ii) no event has occurred or circumstance exists that may (with or without notice or lapse of time) (A) constitute or result directly or indirectly in a violation of or a failure to comply with any term or requirement of any Governmental Authorization listed or required to be listed in Schedule 3.13(b), or (B) result directly or indirectly in the revocation, withdrawal, suspension, cancellation, or termination of, or any modification to, any Governmental Authorization listed or required to be listed in Schedule 3.13(b);

(iii) neither Seller nor a Company has received any notice or other communication (whether oral or written) from any Governmental Body or any other Person regarding (A) any actual, alleged, possible, or potential violation of or failure to comply with any term or requirement of any Governmental Authorization, or (B) any actual, proposed, possible, or potential revocation, withdrawal, suspension, cancellation, termination of, or modification to any Governmental Authorization; and

(iv) all applications required to have been filed for the renewal of the Governmental Authorizations listed or required to be listed in Schedule 3.13(b) or the transfer of the Governmental Authorizations listed or required to be listed in Schedule 3.13(b) from Seller or any of its subsidiaries to either Company have been duly filed on a timely basis with the appropriate Governmental Bodies, and all other filings required to have been made with respect to such Governmental Authorizations have been duly made on a timely basis with the appropriate Governmental Bodies.

The Governmental Authorizations listed in Schedule 3.13(b) collectively constitute all of the Governmental Authorizations necessary to permit the Companies to lawfully conduct and

operate their business in the manner they currently conduct and operate such business and to permit the Companies to own and use their assets in the manner in which they currently own and use such assets.

Section 3.14 Legal Proceedings; Orders.

(a) Except as set forth in Schedule 3.14, there is no pending Proceeding:

(i) that has been commenced by or against Seller or a Company or that otherwise relates to or may affect the business of, or any of the assets owned or used by, the Companies; or

(ii) that challenges, or that may have the effect of preventing, delaying, making illegal, or otherwise interfering with, any of the Contemplated Transactions.

To Seller's Knowledge, no such Proceeding has been Threatened. Seller has made available to Buyer copies of all pleadings, correspondence, and other documents relating to each Proceeding listed in Schedule 3.14. Except as specifically referenced in Schedule 3.14 as having a material adverse effect, the Proceedings listed in Schedule 3.14 will not have a material adverse effect on the business, operations, assets, condition, or prospects of the Companies.

(b) Except as set forth in Schedule 3.14:

(i) there is no Order to which a Company, or any of the assets owned or used by the Companies, is subject;

(ii) Seller is not subject to any Order that relates to the business of, or any of the assets owned or used by, the Companies; and

(iii) no officer, director, agent, or employee of a Company is subject to any Order that prohibits such Person from engaging in or continuing any conduct, activity, or practice relating to the business of the Companies.

(c) Except as set forth in Schedule 3.14:

(i) Each of Seller and each Company is, and at all times has been, in full compliance with all of the terms and requirements of each Order to which it, or any of the assets owned or used by it, is or has been subject;

(ii) no event has occurred or circumstance exists that may constitute or result in (with or without notice or lapse of time) a violation of or failure to comply with any term or requirement of any Order to which Seller or a Company, or any of the assets owned or used by the Companies, is subject; and

(iii) neither Seller nor a Company has received any notice or other communication (whether oral or written) from any Governmental Body or any other Person regarding any actual, alleged, possible, or potential violation of, or

failure to comply with, any term or requirement of any Order to which Seller or a Company, or any of the assets owned or used by the Companies, is or has been subject.

Section 3.15 Absence of Certain Changes and Events. Since June 30, 2001, except as set forth on Schedule 3.15, there has not been any material adverse change in the business, operations, properties, prospects, assets, or condition of Seller, and no event has occurred or circumstance exists that may result in such a material adverse change. Neither Seller nor either Company has taken any steps, and none of them currently expect to take any steps, to seek protection pursuant to any bankruptcy law nor does Seller or either Company have any knowledge or reason to believe that its creditors intend to initiate involuntary bankruptcy proceedings or any actual knowledge of any fact that would reasonably lead a creditor to do so. Except as set forth in Schedule 3.15, since June 30, 2001, Seller has conducted its business only in the Ordinary Course of Business and there has not been any:

(a) payment or increase by Seller of any bonuses, salaries, or other compensation to any director, officer, or (except in the Ordinary Course of Business) employee or entry into any employment, severance, or similar Contract with any director, officer, or (except in the Ordinary Course of Business) employee;

(b) adoption of, or increase in the payments to or benefits under, any profit sharing, bonus, deferred compensation, savings, insurance, pension, retirement, or other employee benefit plan for or with any employees of Seller;

(c) damage to or destruction or loss of any asset or property owned or used by the Network, whether or not covered by insurance, materially and adversely affecting the properties, assets, business, financial condition, or prospects of the Network;

(d) entry into, termination of, or receipt of notice of termination of (i) any license, distributorship, dealer, sales representative, joint venture, credit, affiliation or similar agreement, or (ii) any Contract or transaction involving a total remaining commitment by or to Seller (as relates to the Network) of at least $50,000 except in the Ordinary Course of Business;

(e) sale (other than sales of inventory in the Ordinary Course of Business), lease, or other disposition of any asset or property owned or used by the Companies or mortgage, pledge, or imposition of any Encumbrance on any material asset or property owned or used by the Network;

(f) cancellation or waiver of any claims or rights with a value to Seller (as relates to the Network) in excess of $50,000;

(g) material change in the accounting methods used by Seller; or

(h) agreement, whether oral or written, by Seller or a Company, as applicable, to do any of the foregoing.

Section 3.16 Contracts; No Defaults.

(a) Schedule 3.16(a) contains a complete and accurate list, and Seller has delivered to Buyer true and complete copies, of:

(i) each Contract relating to the business of the Network that involves performance of services or delivery of goods or materials by Seller or a Company of an amount or value in excess of $50,000;

(ii) each Contract relating to the business of the Network that involves performance of services or delivery of goods or materials to Seller or a Company of an amount or value in excess of $50,000;

(iii) each Contract relating to the business of the Network that was not entered into in the Ordinary Course of Business and that involves expenditures or receipts of Seller or a Company in excess of $50,000;

(iv) each lease, rental or occupancy agreement, license, installment and conditional sale agreement, and other Contract relating to the business of the Network affecting the ownership of, leasing of, title to, use of, or any leasehold or other interest in, any real or personal property (except personal property leases and installment and conditional sales agreements having a value per item or aggregate payments of less than $50,000 and with terms of less than one year);

(v) each licensing agreement or other Contract relating to the business of the Network with respect to patents, trademarks, copyrights, or other intellectual property, including agreements with current or former employees, consultants, or contractors regarding the appropriation or the non-disclosure of any Intellectual Property Assets;

(vi) each joint venture, partnership, and other Contract (however named) involving a sharing of profits, losses, costs, or liabilities by Seller or a Company or with respect to the Network business with any other Person;

(vii) each Contract containing covenants that in any way purport to restrict the business activity of Seller or a Company or any Affiliate of a Company or limit the freedom of Seller or a Company or any Affiliate of a Company to engage in any line of business or to compete with any Person;

(viii) each Contract providing for payments to or by any Person based on sales, purchases, or profits, other than direct payments for goods;

(ix) each power of attorney binding on Seller (as relates to the Network) or a Company that is currently effective and outstanding;

(x) each Contract entered into other than in the Ordinary Course of Business that contains or provides for an express undertaking by Seller (as relates to the Network) or a Company to be responsible for consequential damages;

(xi) each Contract for capital expenditures by Seller or a Company with respect to the Network business in excess of $50,000;

(xii) each written warranty, guaranty, and or other similar undertaking with respect to contractual performance extended by Seller or a Company with respect to the Network business other than in the Ordinary Course of Business;

(xiii) each Contract that is a talent or programming Contract or in any way obligates Seller to pay any royalty, residual, license fee or other similar payment in respect of any third parties' literary, artistic, trademark, copyright, music performance, master use, synchronization and other similar intellectual property rights and their publicity, privacy and publishing rights; and

(xiv) each amendment, supplement, and modification (whether oral or written) in respect of any of the foregoing.

(b) Except as set forth in Schedule 3.16(b), no officer, director, or employee of Seller is bound by any Contract that purports to limit the ability of such Person to (A) engage in or continue any conduct, activity, or practice relating to the business of the Network, or (B) assign to a Company or to any other Person any rights to any invention, improvement, or discovery.

(c) Except as set forth in Schedule 3.16(c), each Contract listed or required to be listed in Schedule 3.16(a) is in full force and effect and is valid and enforceable in accordance with its terms.

(d) Except as set forth in Schedule 3.16(d):

(i) each of Seller and each Company is and has been in full compliance with all applicable terms and requirements of each Contract listed or required to be listed in Schedule 3.16(a), including, without limitation, all "most favored nations" provisions of such Contracts;

(ii) each other party to each Contract listed or required to be listed in Schedule 3.16(a) is, to Seller's Knowledge, in full compliance with all applicable terms and requirements of such Contract;

(iii) no event has occurred or circumstance exists that (with or without notice or lapse of time) may contravene, conflict with, or result in a violation or breach of, or give Seller or a Company or other Person the right to declare a default or exercise any remedy under, or to accelerate the maturity or performance of, or to cancel, terminate, or modify, any Contract listed or required to be listed in Schedule 3.16(a); and

(iv) neither Seller nor a Company has given to or received from any other Person, at any time since June 30, 1999, any notice or other communication (whether oral or written) regarding any actual, alleged, possible, or potential violation or breach of, or default under, any Contract listed or required to be listed

in Schedule 3.16(a), except for notices of violations, breaches or defaults, the results of which would not result in the ability for the other party to such Contract to exercise a right or remedy that could have a material adverse effect on Seller or the Company, as the case may be.

(e) To Seller's Knowledge, there are no renegotiations of, attempts to renegotiate, or outstanding rights to renegotiate any material amounts paid or payable to a Company or with respect to the Companies' business under current or completed Contracts with any Person and no such Person has made written demand for such renegotiation.

(f) The Contracts relating to the sale, design, manufacture, or provision of products or services by the Companies have been entered into in the Ordinary Course of Business and have been entered into without the commission of any act alone or in concert with any other Person, or any consideration having been paid or promised, that is or would be in violation of any Legal Requirement.

Section 3.17 Insurance.

(a) Seller has made available to Buyer true and complete copies of all policies of insurance to which Seller or a Company is a party or under which Seller or a Company, or any director, officer or manager of Seller or a Company, is or has been covered at any time within the five years preceding the date of this Agreement, copies of all pending applications for policies of insurance; and any statement by the auditor of Seller's financial statements with regard to the adequacy of such entity's coverage or of the reserves for claims.

(b) Schedule 3.17(b) sets forth, by year, for the current policy year and each of the five preceding policy years a summary of the loss experience under each policy and a statement describing each claim under an insurance policy for an amount in excess of $10,000.

(c) Except as set forth on Schedule 3.17(c):

(i) All policies to which Seller or a Company is a party or that provide coverage to Seller, a Company, or any director, officer or manager of Seller or a Company (A) are valid, outstanding and enforceable; (B) are issued by an insurer that is financially sound and reputable; (C) taken together, provide adequate insurance coverage for the assets and the operations of the Network; (D) are sufficient for compliance with all Legal Requirements and Contracts to which Seller or a Company is a party or by which any of them is bound; (E) will continue in full force and effect following the consummation of the Contemplated Transactions; and (F) do not provide for any retrospective premium adjustment or other experienced-based liability on the part of Seller or a Company.

(ii) Neither Seller nor a Company has received any refusal of coverage or any notice that a defense will be afforded with reservation of rights, or any notice of cancellation or any other indication that any insurance policy is no longer in full force or effect or will not be renewed or that the issuer of any policy is not willing or able to perform its obligations thereunder.

(iii) Each of Seller and each Company has paid all premiums due, and has otherwise performed all of its obligations, under each policy to which it is a party or that provides coverage to the Companies or their business or any director, officer or manager thereof.

(iv) Seller and the Companies have given notice to the insurer of all material claims that may be insured thereby.

Section 3.18 Environmental Matters. Except as set forth in Schedule 3.18:

(a) Each of Seller and each Company is, and at all times has been, in full compliance with, and has not been and is not in violation of or liable under, any Environmental Law. Neither Seller nor either Company has or has any basis to expect, nor has any of them or any other Person for whose conduct they are or may be held to be responsible received, any actual or Threatened Order, notice, or other communication from (i) any Governmental Body or private citizen acting in the public interest, or (ii) the current or prior owner or operator of any Facilities, of any actual or potential violation or failure to comply with any Environmental Law, or of any actual or Threatened obligation to undertake or bear the cost of any Environmental, Health, and Safety Liabilities with respect to any of the Facilities or any other properties or assets (whether real, personal, or mixed) in which Seller or a Company has or had an interest, or with respect to any property or Facility at or to which Hazardous Materials were generated, manufactured, refined, transferred, imported, used, or processed by Seller, a Company, or any other Person for whose conduct they are or may be held responsible, or from which Hazardous Materials have been transported, treated, stored, handled, transferred, disposed, recycled, or received.

(b) There are no Hazardous Materials present on or in the Environment at the Facilities. None of Seller, either Company, or any other Person for whose conduct they are or may be held responsible has permitted or conducted, or is aware of, any Hazardous Activity conducted with respect to the Facilities or any other properties or assets (whether real, personal, or mixed) in which Seller or a Company has or had an interest except in full compliance with all applicable Environmental Laws.

(c) There has been no Release or, to Seller's Knowledge, threat of Release, of any Hazardous Materials at or from the Facilities or at any other locations where any Hazardous Materials were generated, manufactured, refined, transferred, produced, imported, used, or processed from or by the Facilities, or from or by any other properties and assets (whether real, personal, or mixed) in which Seller or a Company has or had an interest.

(d) Seller has delivered to Buyer accurate and complete copies and results of any reports, studies, analyses, tests, or monitoring possessed or initiated by Seller or a Company pertaining to Hazardous Materials or Hazardous Activities in, on, or under the Facilities, or concerning compliance by Seller, a Company, or any other Person for whose conduct they are or may be held responsible, with Environmental Laws.

Section 3.19 Employees.

(a) Schedule 3.19 contains a complete and accurate list of the following information for each employee of Seller relating to the Network, including each employee on leave of absence or layoff status: name; job title; current compensation paid or payable and any change in compensation since June 30, 2002; vacation accrued; and service credited for purposes of vesting and eligibility to participate under any Company Plan.

(b) No employee of Seller is a party to, or is otherwise bound by, any agreement or arrangement, including any confidentiality, noncompetition, or proprietary rights agreement, between such employee and any other Person (a "Proprietary Rights Agreement") that in any way adversely affects or will affect (i) the performance of his duties as an employee of Seller or, after the Closing, of a Company, or (ii) the ability Seller or the Companies to conduct the Network business, including any Proprietary Rights Agreement with Seller or a Company. To Seller's Knowledge, no officer or other key employee of Seller intends to terminate his employment.

Section 3.20 Labor Relations; Compliance. Since June 30, 1997, Seller has not been and is not a party to any collective bargaining or other labor Contract. Except as set forth on Schedule 3.20, since June 30, 1997, there has not been, there is not presently pending or existing, and to Seller's Knowledge there is not Threatened, (a) any strike, slowdown, picketing, work stoppage, or employee grievance process, (b) any Proceeding against or affecting the Network relating to the alleged violation of any Legal Requirement pertaining to labor relations or employment matters, including any charge or complaint filed by an employee or union with the National Labor Relations Board, the Equal Employment Opportunity Commission, or any comparable Governmental Body, organizational activity, or other labor or employment dispute against or affecting the Network, or (c) any application for certification of a collective bargaining agent. To Seller's Knowledge, no event has occurred or circumstance exists that could provide the basis for any work stoppage or other labor dispute by employees of Seller. There is no lockout of any employees by Seller, and no such action is contemplated by Seller. Seller has complied in all respects with all Legal Requirements relating to employment, equal employment opportunity, nondiscrimination, immigration, wages, hours, benefits, collective bargaining, the payment of social security and similar taxes, occupational safety and health, and plant closing. Seller is not liable for the payment of any compensation, damages, taxes, fines, penalties, or other amounts, however designated, for failure to comply with any of the foregoing Legal Requirements.

Section 3.21 Intellectual Property.

(a) Intellectual Property Assets. As used in this Agreement, the term "Intellectual Property Assets" includes:

(i) the name "Shop at Home", all fictional business names, trading names, registered and unregistered trademarks, service marks, and applications (collectively, "Marks");

(ii) all patents, patent applications, and inventions and discoveries that may be patentable (collectively, "Patents");

(iii) all copyrights in both published works and unpublished works (collectively, “Copyrights”);

(iv) all rights in mask works (collectively, “Rights in Mask Works”); and

(v) all know-how, trade secrets, confidential information, customer lists, software, technical information, data, process technology, plans, drawings, and blue prints (collectively, “Trade Secrets”)

in each case owned, used, or licensed by Seller as licensee or licensor.

(b) Agreements. Schedule 3.21(b) contains a complete and accurate list and summary description, including any royalties paid or received by Seller, of all Contracts relating to the Intellectual Property Assets to which Seller is a party or by which Seller is bound, except for any license implied by the sale of a product and perpetual, paid-up licenses for commonly available software programs with a value of less than $25,000 under which Seller is the licensee. There are no outstanding and, to Seller’s Knowledge, no Threatened disputes or disagreements with respect to any such Contract.

(c) Know-How Necessary for the Business. The Intellectual Property Assets are all those necessary for the operation of the Network as it is currently conducted. Seller is the owner of all right, title, and interest in and to each of the Intellectual Property Assets, free and clear of all Encumbrances, and Seller has the right to use without payment to a third party all of the Intellectual Property Assets. Notwithstanding the foregoing, Buyer acknowledges that Seller has not applied for a trademark or servicemark registration for the name “Shop At Home”; provided, however that nothing contained in this sentence will be deemed to abrogate Seller’s representation with respect to such Mark as set forth in Section 3.21(e)(v).

(d) Patents. Except for commercially available software applications and as disclosed on Schedule 3.21(d), Seller does not own or use any Patents relating to the Network.

(e) Marks.

(i) Schedule 3.21(e) contains a complete and accurate list and summary description of all Marks. Seller is the owner of all right, title, and interest in and to each of the Marks, free and clear of all Encumbrances.

(ii) All Marks that have been registered with the U.S. Patent and Trademark Office are currently in compliance with all formal legal requirements (including the timely post-registration filing of affidavits of use and incontestability and renewal applications), are valid and enforceable, and are not subject to any maintenance fees or Taxes or actions falling due within 90 days after the Closing Date.

(iii) No Mark has been or is now involved in any opposition, invalidation, or cancellation and, to Seller's Knowledge, no such action is Threatened with the respect to any of the Marks.

(iv) To Seller's Knowledge, there is no potentially interfering trademark or trademark application of any third party.

(v) Except as Schedule 3.21, no Mark is infringed or, to Seller's Knowledge, has been challenged or threatened in any way. None of the Marks used by Seller infringes or is alleged to infringe any trade name, trademark, or service mark of any third party.

(vi) All products and materials containing a Mark bear the proper federal registration notice where permitted by law.

(f) Copyrights.

(i) Schedule 3.21(f) contains a complete and accurate list and summary description of all Copyrights. Seller is the owner of all right, title, and interest in and to each of the Copyrights, free and clear of all Encumbrances.

(ii) All the Copyrights have been registered and are currently in compliance with formal legal requirements, are valid and enforceable, and are not subject to any maintenance fees or Taxes or actions falling due within 90 days after the date of Closing.

(iii) No Copyright is infringed or, to Seller's Knowledge, has been challenged or threatened in any way. None of the subject matter of any of the Copyrights infringes or is alleged to infringe any copyright of any third party or is a derivative work based on the work of a third party.

(iv) All works encompassed by the Copyrights have been marked with the proper copyright notice.

(g) Trade Secrets.

(i) With respect to each Trade Secret, the documentation relating to such Trade Secret is current, accurate, and sufficient in detail and content to identify and explain it and to allow its full and proper use without reliance on the knowledge or memory of any individual.

(ii) Seller has taken all reasonable precautions to protect the secrecy, confidentiality, and value of its Trade Secrets.

(iii) Seller has good title and an absolute (but not necessarily exclusive) right to use the Trade Secrets used by it related to the Network. The Trade Secrets are not part of the public knowledge or literature, and, to Seller's Knowledge, have not been used, divulged, or appropriated either for the benefit of any Person

(other than Seller or a Company) or to the detriment of the Network. No Trade Secret is subject to any adverse claim or has been challenged or threatened in any way.

Section 3.22 Certain Payments. Since June 30, 1997, neither Seller nor a Company or any director, officer, member, manager, agent, or employee of Seller or a Company, or to Seller's Knowledge, any other Person associated with or acting for or on behalf of Seller or a Company, has directly or indirectly (a) made any contribution, gift, bribe, rebate, payoff, influence payment, kickback, or other payment to any Person, private or public, regardless of form, whether in money, property, or services (i) to obtain favorable treatment in securing business, (ii) to pay for favorable treatment for business secured, (iii) to obtain special concessions or for special concessions already obtained, for or in respect of Seller or a Company or any Affiliate of Seller or a Company, or (iv) in violation of any Legal Requirement, or (b) established or maintained any fund or asset that has not been recorded in the books and records of Seller or a Company.

Section 3.23 FCC Licenses; Operations of Licensed Facilities. Seller and its subsidiaries have operated the television stations for which any of them hold licenses from the FCC, in each case which are owned or operated by Seller or its subsidiaries (the "Licensed Facilities"), in material compliance with the terms of the licenses issued by the FCC to Seller or any subsidiary (the "FCC Licenses"), and in material compliance with the Communications Act. Seller has, and each of its subsidiaries has, timely filed or made all applications, reports and other disclosures required by the FCC to be made with respect to the Licensed Facilities and has timely paid all FCC regulatory fees with respect thereto. Seller and each of its subsidiaries have, and are the authorized legal holders of, all FCC Licenses necessary or used in the operation of the business of Seller and the Companies as presently operated. All FCC Licenses are validly held and are in full force and effect, unimpaired by any act or omission of Seller, any of its subsidiaries (or, to Seller's Knowledge, their respective predecessors) or their respective officers, managers, employees or agents. Except as set forth in Schedule 3.23, no application or Proceeding is pending for the renewal of any FCC License and, to Seller's Knowledge, there is not before the FCC any Proceeding, notice of violation or order of forfeiture relating to any Licensed Facility, and Seller has no Knowledge of any basis that could reasonably be expected to cause the FCC not to renew any FCC License (other than Proceedings to amend FCC rules or the Communications Act of general applicability to the television broadcast industry). There is not pending and, to Seller's Knowledge, there is not Threatened, any action by or before the FCC to revoke, suspend, cancel, rescind, fail to renew, or modify in any material respect any FCC License (other than Proceedings to amend FCC rules or the Communications Act of general applicability to the television broadcast industry).

Section 3.24 Subscribers. Seller has an Existing Subscriber Base (as hereinafter defined) of at least 42 million FTE Subscribers represented by existing Affiliation Agreements or carriage agreements, each of which is in full force and effect and is the legal, valid and binding obligation of Seller and, to Seller's Knowledge, the other parties thereto. Schedule 3.24 contains a summary of each oral carriage agreement to which Seller or a subsidiary of Seller is a party. "Existing Subscriber Base" means FTE Subscribers pursuant to oral or written carriage agreements with Seller or its subsidiaries. "FTE Subscriber" means one Subscriber who receives

the Shop At Home Network on a full-time basis, calculated on a basis consistent with that historically calculated by Seller by estimating the number of full-time households that receive the Shop At Home Network and derived by adding (a) the number of actual full-time households and (b) a number calculated under the assumption that part-time households had been combined into full-time households in accordance with a formula, as set forth more fully on Schedule 3.24, that considers the number of hours carried and gives weight to the amount of sales historically made by Seller during such hours.

Section 3.25 Affiliation and Programming Agreements.

(a) Affiliation Agreements. Schedule 3.25(a) sets forth an accurate and complete list of, and a schedule of payments with respect to, all Contracts with cable system operators and satellite televisions system operators relating to carriage of the Network (the "Affiliation Agreements") and the number of Subscribers served by each such operator. Except as disclosed on Schedule 3.25(a), none of the Affiliation Agreements contains any "most favored nations" provisions and none of the Affiliation Agreements purports to be binding on any Affiliates of Seller or the Companies or any successor in interest to any of them. Except as disclosed on Schedule 3.25(a), Seller has not received any notice that any such cable system operator or satellite television system operator (i) has canceled or terminated, or has a specific intention to cancel or terminate, any Affiliation Agreement, or (ii) has a specific intention to effect a planned reduction in the number of Subscribers covered by any Affiliation Agreement, other than any Affiliation Agreement representing less than 10,000 FTE Subscribers. All Affiliation Agreements are valid, binding and in full force and effect, enforceable by Seller in accordance with their terms. Except as disclosed on Schedule 3.25(a), Seller has performed all obligations required to be performed by it to date under the Affiliation Agreements and Seller is not (with or without the lapse of time or the giving of notice, or both) in breach or default in any respect thereunder and, to Seller's Knowledge, no other party to any of the Affiliation Agreements is (with or without the lapse of time or the giving of notice, or both) in breach or default in any respect thereunder.

(b) Programming Agreements. Schedule 3.25(b) sets forth an accurate and complete list of, and a schedule of payments with respect to, all Contracts with third parties relating to the Programming Assets (the "Programming Agreements"). Except as disclosed on Schedule 3.25(b), Seller has not received any notice that any other party to the Programming Agreements (i) has canceled or terminated, or has a specific intention to cancel or terminate, any Programming Agreement, or (ii) has a specific intention to effect a planned alteration or modification of the Programming Assets that are the subject matter of any Programming Agreement. All Programming Agreements are valid, binding and in full force and effect, enforceable by Seller in accordance with their terms. Except as disclosed on Schedule 3.25(b), Seller has performed all obligations required to be performed by it to date under the Programming Agreements and Seller is not (with or without the lapse of time or the giving of notice, or both) in breach or default in any respect thereunder and, to Seller's Knowledge, no other party to any of the Programming Agreements is (with or without the lapse of time or the giving of notice, or both) in breach or default in any respect thereunder.

Section 3.26 Transponder Contracts. Schedule 3.26 sets forth (a) a list of, and a schedule of payments in respect of, all Contracts to which Seller or a Company is a party that relate to transponders for the Network and (b) a description of any ongoing discussion Seller is conducting with any third person or entity with respect thereto.

Section 3.27 Network Rights. Except as disclosed on Schedule 3.27, (a) none of the execution and delivery of this Agreement, the consummation by Seller of the Contemplated Transactions or the compliance by Seller with any of the provisions hereof will result in the creation or imposition of any Encumbrance upon, or give to any other party or parties any claim, interest or right, including rights of termination or cancellation in or with respect to (i) any Network Intangible Rights or (ii) any rights, releases, clearances or licenses granted by third parties (A) with respect to their Third-Party Intangible Rights in any Programming Assets, Promotional Assets, or other Network Intangible Rights (collectively, "Network Rights") and (B) appearing on or performing services in connection with the operation of the Network and exhibition and syndication of its Network Rights; (b) other than in the ordinary course and scope of business, neither Seller nor any director, officer or employee of Seller has done anything, by Contract or otherwise, which could reasonably be expected to impair the rights of Seller (or, after the Closing, the Companies) in the Network Rights; (c) Seller is the owner of the Network Rights, and the Network Rights are in full force and effect and not subject to cancellation for any reason; (d) there are no registrations for the Network Rights in any country outside the United States; (e) Seller has not done or authorized, caused or permitted to be done any action or omission that conflicts with Seller's ownership of the Network Rights; (f) neither Seller nor either Company is a party to or bound under any, and there is no pending, proposed, or, to Seller's Knowledge, Threatened certificate, claim, lien, Contract, instrument, Order, or other restriction, which adversely affects, or reasonably could be expected to adversely affect, any or all of the Network Rights, or any rights of Seller or a Company with respect to the Network Rights now or following the consummation of the transactions contemplated by this Agreement; (g) neither Seller nor a Company has infringed upon or unlawfully used any intellectual property owned or claimed by another; (h) to Seller's Knowledge, no person or entity is infringing on any right of Seller with respect to any Network Rights; and (i) Seller has not received any notice of any claim of infringement or any other claim or proceeding relating to any Network Rights, and no Affiliate or employee of Seller owns or has any proprietary, financial or other interest, direct or indirect, in whole or in part, in any Network Rights. The Network does not use any licensed music with respect to its programming.

Section 3.28 Website. With respect to shopathometv.com, Seller (a) has obtained and presently possesses all legal rights to exclusive use of the required Universal Resource Locator ("URL") under the shopathometv.com, .org and .net domains and shall promptly obtain identical URLs at the .biz and .info domains; (b) has applied for appropriate Trademark registrations for the URL; (c) maintains what it believes are adequate computer resources to help ensure that no service outages will occur due to insufficient data-storage, memory, server or other related reasons; and (d) has in place a plan to permit and accommodate anticipated increases in traffic levels (e.g., additional servers, hardware, software and/or personnel).

Section 3.29 Relationships with Affiliates. Neither Seller nor any Affiliate of Seller or a Company has, or since June 30, 1999 has had, any interest in any property (whether real, personal, or mixed and whether tangible or intangible), used in or pertaining to the Companies' business. Neither Seller nor any Affiliate of Seller or of a Company is, or since June 30, 1999 has owned (of record or as a beneficial owner) an equity interest or any other financial or profit interest in, a Person that has (i) had business dealings or a material financial interest in any transaction with Seller or a Company other than business dealings or transactions conducted in the Ordinary Course of Business with Seller or a Company at substantially prevailing market prices and on substantially prevailing market terms, or (ii) engaged in competition with Seller or a Company with respect to the Companies' business. Except as set forth in Schedule 3.29, neither Seller nor any Affiliate of Seller or of a Company is a party to any Contract with, or has any claim or right against, a Company.

Section 3.30 Proxy Statement. Other than information supplied in writing by Buyer and its Affiliates for inclusion in the Proxy Statement, with respect to which Seller gives no representation, the Proxy Statement will not on the date the Proxy Statement is first mailed to shareholders of Seller or at the time of the Shareholders Vote, contain any statement which, at such time and in light of the circumstances under which it is made, is false or misleading with respect to any material fact, omits to state any material fact necessary in order to make such statements made in the Proxy Statement not false or misleading, or omits to state any material fact necessary to correct any statement in any earlier communication with respect to the solicitation of proxies for the Shareholders Meeting which has become false or misleading. If at any time prior to the Shareholders Vote, any event relating to Seller or any of its Affiliates that should be set forth in a supplement to the Proxy Statement is discovered by Seller, Seller shall promptly inform Buyer thereof.

Section 3.31 Customers and Vendors. Schedule 3.31 lists the top ten vendors of products to Seller during the fiscal year ended June 30, 2002, and the amount purchased from such vendors during the fiscal years ended June 30, 2002 and June 30, 2001. Schedule 3.31 lists the top ten customers of products from Seller during the fiscal year ended June 30, 2002.

Section 3.32 Brokers or Finders. Except for Friedman, Billings, Ramsey & Co., Inc., neither Seller nor a Company has incurred any obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions, fairness opinion, or other similar payment in connection with this Agreement and Seller shall indemnify and hold Buyer and the Companies harmless from any such payment alleged to be due by or through Seller or a Company as a result of Seller's or such Company's action.

Section 3.33 Disclosure. No representation or warranty of Seller in this Agreement (including the Schedules) omits to state a material fact necessary to make the statements herein or therein, in light of the circumstances in which they were made, not misleading. There is no fact known to Seller that has specific application to Seller or the Companies (other than general economic or industry conditions) and that materially adversely affects or, as far as Seller can reasonably foresee, materially threatens, the assets, business, prospects, financial condition, or results of operations of the Companies that has not been set forth in this Agreement or the Schedules.

ARTICLE IV. REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller as follows:

Section 4.1 Organization and Good Standing. Buyer is a corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware.

Section 4.2 Authority; No Conflict.

(a) This Agreement constitutes the legal, valid, and binding obligation of Buyer, enforceable against Buyer in accordance with its terms. Upon the execution and delivery by Buyer of the Transaction Documents to which it is a party, such Transaction Documents will constitute the legal, valid, and binding obligations of Buyer, enforceable against Buyer in accordance with their respective terms. Buyer has the absolute and unrestricted right, power, and authority to execute and deliver this Agreement and the Transaction Documents to which it is a party and to perform its obligations hereunder and thereunder.

(b) Neither the execution and delivery of this Agreement by Buyer nor the consummation or performance of any of the Contemplated Transactions by Buyer will give any Person the right to prevent, delay, or otherwise interfere with any of the Contemplated Transactions pursuant to:

(i) any provision of Buyer's Organizational Documents;

(ii) any resolution adopted by the board of directors or the stockholders of Buyer;

(iii) any Legal Requirement or Order to which Buyer may be subject; or

(iv) any Contract to which Buyer is a party or by which Buyer may be bound.

Buyer is not and will not be required to obtain any Consent from any Person in connection with the execution and delivery of this Agreement or the consummation or performance of any of the Contemplated Transactions.

Section 4.3 Investment Intent; Financial Capability. Buyer is acquiring the Shares for its own account and not with a view to their distribution within the meaning of Section 2(11) of the Securities Act. Buyer is an "accredited investor" as that term is defined in Rule 501(a)(3) of Regulation D. Buyer has the financial ability to consummate the Contemplated Transactions.

Section 4.4 Certain Proceedings. There is no pending Proceeding that has been commenced against Buyer and that challenges, or may have the effect of preventing, delaying,

making illegal, or otherwise interfering with, any of the Contemplated Transactions. To Buyer's Knowledge, no such Proceeding has been Threatened.

Section 4.5 Proxy Statement Preparation. The information supplied in writing by Buyer for inclusion in the Proxy Statement will not, on the date the Proxy Statement is first mailed to shareholders of Seller or at the time of the Shareholders Vote, contain any statement which, at such time and in light of the circumstances under which it is made, is false or misleading with respect to any material fact, omits to state any material fact necessary in order to make such statements made in the Proxy Statement not false or misleading, or omits to state any material fact necessary to correct any statement in any earlier communication with respect to the solicitation of proxies for the Shareholders Meeting which has become false or misleading. If at any time prior to the Shareholders Vote, any event relating to Buyer or any of its Affiliates that should be set forth in the supplement to the Proxy Statement is discovered by Buyer, Buyer shall promptly inform Seller thereof.

Section 4.6 Brokers or Finders. Except for Allen & Company, Incorporated, Buyer has incurred no obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payment in connection with this Agreement and shall indemnify and hold Seller harmless from any such payment alleged to be due by or through Buyer as a result of Buyer's action.

ARTICLE V. COVENANTS OF SELLER PRIOR TO CLOSING DATE

Section 5.1 Access and Investigation. Between the date of this Agreement and the Closing Date, Seller shall, and shall cause the Companies and their Representatives to, (a) afford Buyer and its Representatives and, if applicable, prospective lenders and their Representatives (collectively, "Buyer's Advisors") full and free access to the Companies' personnel, properties (including subsurface testing), contracts, books and records, and other documents and data, (b) furnish Buyer and Buyer's Advisors with copies of all such contracts, books and records, and other existing documents and data as Buyer reasonably requests, and (c) furnish Buyer and Buyer's Advisors with such additional financial, operating, and other data and information as Buyer reasonably requests.

Section 5.2 Operation of the Business of the Network. Between the date of this Agreement and the Closing Date, Seller shall, and shall cause the Companies to:

(a) conduct its business only in the Ordinary Course of Business;

(b) use its best efforts to preserve intact its current business organization, keep available the services of its current officers, employees, and agents, and maintain the relations and goodwill with suppliers, customers, landlords, creditors, employees, agents, Network affiliates, advertisers and others having business relationships with it;

(c) confer with Buyer concerning operational matters of a material nature; and

(d) otherwise report periodically to Buyer, at Buyer's reasonable request, concerning the status of its business, operations, and finances.

Without limiting the foregoing, Seller shall maintain sufficient cash on hand to timely make required payments with respect to its indebtedness for borrowed money. Notwithstanding anything to the contrary contained in this Section 5.2, immediately prior to the Closing (or earlier upon consent of Seller's senior lender and Buyer), Seller shall transfer the Network Assets and Network Liabilities to Holding Company or Operating Company, as Buyer and Seller shall mutually agree. Furthermore, notwithstanding anything to the contrary contained in this Section 5.2, Operating Company may make a distribution to its members of $3,000,000. In no event will Seller permit the net working capital deficit of Operating Company at the Closing to be greater than $4,800,000 without obtaining Buyer's prior consent, which consent will not be unreasonably withheld. As used in the previous sentence, "net working capital" means (a) cash, cash equivalents, inventories and trade receivables, net of applicable reserves, computed in accordance with GAAP, minus (b) trade payables and accrued wages, computed in accordance with GAAP.

Section 5.3 Negative Covenant. Except as otherwise expressly permitted by this Agreement, between the date of this Agreement and the Closing Date, Seller shall not, and shall cause the Companies not to, without Buyer's prior consent, take any affirmative action, or fail to take any reasonable action within their or its control, as a result of which any of the changes or events listed in Section 3.15 is likely to occur.

Section 5.4 Notification. Between the date of this Agreement and the Closing Date, Seller shall promptly notify Buyer in writing if Seller or a Company becomes aware of any fact or condition that causes or constitutes a breach of any of Seller's representations and warranties as of the date of this Agreement, or if Seller or a Company becomes aware of the occurrence after the date of this Agreement of any fact or condition that would (except as expressly contemplated by this Agreement) cause or constitute a breach of any such representation or warranty had such representation or warranty been made as of the time of occurrence or discovery of such fact or condition. During the same period, Seller shall promptly notify Buyer of the occurrence of any breach of any covenant of Seller in this Article V or of the occurrence of any event that may make the satisfaction of the conditions in Article VIII impossible or unlikely.

Section 5.5 Reasonable Best Efforts. Between the date of this Agreement and the Closing Date, Seller shall use its reasonable best efforts to cause the conditions in Articles VIII and IX to be satisfied.

Section 5.6 No Solicitation. During the term of this Agreement, Seller (a) shall not, directly or indirectly, and shall not authorize or permit its officers, directors, employees, affiliates, agents or advisors or other Representatives (including, without limitation, any investment banker, attorney or accountant retained by it) to, directly or indirectly, solicit, initiate or encourage (including by way of furnishing non-public information), or take any other action to facilitate, any inquiries or the making of any proposal or offer (including, without limitation, any

proposal or offer to its stockholders) that constitutes, or may reasonably be expected to lead to, any Third-Party Transaction (as hereinafter defined), or enter into or maintain or continue discussions or negotiate with any person or entity regarding a Third-Party Transaction, or agree to or endorse any Third-Party Transaction; (b) shall notify Buyer promptly if any written proposal or offer regarding a Third-Party Transaction is made; (c) shall immediately cease and cause to be terminated all existing discussions or negotiations with any parties conducted heretofore with respect to a Third-Party Transaction; and (d) shall not release any third party from, or waive any provision of, any confidentiality or standstill agreement to which Seller is a party. Seller shall promptly notify Buyer in writing if it receives any written proposal or offer relating to a Third-Party Transaction, and Seller shall inform such inquiring person or entity of the existence of this provision and make such person or entity aware of Seller's obligations hereunder. Notification hereunder must include the identity of the person or entity making such offer or other proposal, the terms thereof, and any other information with respect thereto as Buyer reasonably requests. Notwithstanding the foregoing, (y) Seller may engage in discussions and negotiations, enter into agreements, and conclude transactions with Castle Creek Partners, Capital Works Group and the Dickey family with respect to possible non-voting preferred equity investments (pari passu or junior to Seller's Series D Senior Redeemable Preferred Stock) by such third parties in Seller unrelated to the Contemplated Transactions; provided that Seller shall keep Buyer information regarding all developments with respect thereto and (z) Seller may, with notice to Buyer, discuss with any third party proposals for the potential acquisition of one or more of Seller's broadcast television stations (exclusive of the Network business) but Seller may not enter into agreements in respect of such discussions without Buyer's written consent; provided that in no event shall any such transaction be inconsistent with or impair the benefit to Buyer of the Contemplated Transactions. For purposes hereof, a "Third-Party Transaction" means any of the following involving Seller (other than the Contemplated Transactions and other than as set forth in the previous sentence): (a) a merger, consolidation, share exchange, business combination or other similar transaction; (b) any sale, lease, exchange, transfer or other disposition of 10% or more of the assets of Seller; (c) a tender offer or exchange offer for, or any other acquisition of, 10% or more of the outstanding voting securities of Seller; or (d) any issuance, sale or grant of any shares of, or securities convertible into or exchangeable for, or options, warrants, calls, commitments or rights of any kind to acquire, any shares of capital stock of Seller.

Section 5.7 Preparation of Proxy Statement.

(a) As soon as practicable after the execution of this Agreement, Seller shall prepare and cause to be filed with the SEC preliminary proxy materials (the "Proxy Statement") for the solicitation of approval of the shareholders of Seller of (i) the Contemplated Transactions and (ii) the amendment of Seller's amended and restated charter to change its corporate name to one which is not the same as or similar to its present name or any other trademark or trade style or name now or then used by Operating Company (collectively, the "Shareholder Approval") and for the election of directors and such other matters as Seller and Buyer may reasonably agree. Subject to compliance by Buyer with its covenants in this Section 6.3, Seller shall cause the Proxy Statement related thereto to materially comply with applicable law and the rules and regulations promulgated by the SEC, to respond promptly to any comments of the SEC or its staff and Seller shall use reasonable best efforts to cause the Proxy Statement to be mailed to

Seller's shareholders as promptly as practicable. Each party shall promptly furnish to the other party all information concerning itself, its shareholders and its affiliates that may be required or reasonably requested in connection with any action contemplated by this Section. If any event relating to any party occurs, or if any party becomes aware of any information, that should be disclosed in an amendment or supplement to the Proxy Statement, then such party shall inform the other thereof and shall cooperate with each other in filing such amendment or supplement with the SEC and, if appropriate, in mailing such amendment or supplement to the shareholders of Seller. The Proxy Statement shall include the recommendations of the Board of Directors of Seller in favor of Shareholder Approval. Buyer and its advisors shall have a reasonable opportunity to review and comment on the proxy materials prior to any filing with the SEC.

(b) Seller will notify Buyer promptly of the receipt of any comments from the SEC or its staff or any other government official and of any requests by the SEC or its staff or any other government official for amendments or supplements to the Proxy Statement or for additional information, and will supply Buyer with copies of all such comments and any correspondence between Seller and its representatives, and the SEC or its staff or any other government official with respect thereto. If at any time prior to the Closing Date, any event shall occur that should be set forth in an amendment of, or a supplement to, the Proxy Statement, Seller agrees promptly to prepare and file such amendment or supplement and to distribute such amendment or supplement as required by applicable law, including mailing such supplement or amendment to the shareholders of Seller. Buyer and its advisors shall have a reasonable opportunity to review and comment on any amendment or supplement to the Proxy Statement prior to any filing with the SEC.

Section 5.8 Shareholders Meeting. Seller shall take all action necessary in accordance with applicable law and its amended and restated charter, as amended, and its bylaws, and use its best efforts, to (a) on the date hereof, set a record date of September 9, 2002 for a meeting of Seller's shareholders (the "Shareholders Meeting") to provide for the vote of Seller's shareholders (the "Shareholders Vote") with respect to the matters subject to Shareholder Approval and with respect to the other matters to be voted upon pursuant to Section 5.7, (b) on the date hereof, call and publicly announce such Shareholders Meeting and such record date, and (c) hold and convene the Shareholders Meeting. The date of the Shareholders Meeting will be October 16, 2002 unless the parties otherwise agree to another date. Except as required by the SEC or applicable court order, Seller shall not postpone or adjourn (other than for the absence of a quorum) the Shareholders Meeting without the consent of Buyer. Seller shall take all other action necessary or advisable to secure the Shareholder Approval.

Section 5.9 Approval for Transfer of Network Assets and Network Liabilities. As soon as practicable after the date hereof, Seller shall request the consent of its senior lender to transfer the Network Assets and the Network Liabilities to Holding Company or Operating Company and to transfer a portion of Seller's membership in Operating Company representing 87.5% of the outstanding membership interests to Holding Company and Seller shall use best efforts to obtain such consent; provided, however, that if obtaining such consent requires the payment of money other than the actual expenses of the lender with respect thereto, including reasonable attorneys' fees, then Seller shall first obtain Buyer's consent with respect thereto.

ARTICLE VI. COVENANTS OF BUYER PRIOR TO CLOSING DATE

Section 6.1 Reasonable Best Efforts. Between the date of this Agreement and the Closing Date, Buyer shall use its reasonable best efforts to cause the conditions in Articles VIII and IX to be satisfied.

Section 6.2 Preparation of Proxy Statement. None of the information to be supplied by Buyer or its Affiliates for inclusion in the Proxy Statement will, at the time the Proxy Statement is mailed to the shareholders of Seller, or as of the Shareholders Vote, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. As to all matters respecting Buyer and its Affiliates, the Proxy Statement will comply as to form in all material respects with the provisions of the Exchange Act, and the rules and regulations promulgated by the SEC thereunder.

Section 6.3 Loan to Operating Company. Immediately prior to the Closing and upon Operating Company's execution of that certain Secured Promissory Note in the original amount of $35,000,000 and the security documents required by Buyer in connection therewith, Buyer shall make Operating Company a loan under such Note in at least an amount such that Operating Company has, together with its cash already on hand, cash equal to $3,000,000 in readily available funds.

ARTICLE VII. MISCELLANEOUS COVENANTS

Section 7.1 Section 338(h)(10) Election. Seller will join with Buyer in making an election under IRC §338(h)(10) (and an election corresponding to IRC §338(h)(10) or §338(g) under state, local and foreign tax law to the extent necessary to achieve a tax basis step-up in the Company's assets) with respect to the purchase by Buyer from Seller of the Shares (a "Section 338(h)(10) Election"). Buyer and Seller shall report the Contemplated Transactions in a manner consistent with the Section 338(h)(10) Election. Neither Seller nor Buyer shall take any action that is inconsistent with the Section 338(h)(10) Election or its validity under the IRC and the applicable Treasury Regulations. Buyer shall deliver to Seller, Buyer's calculation of the aggregate deemed sales price, the adjusted grossed-up basis and the allocation of the adjusted grossed-up basis among the assets of the Company in accordance with the principles of Treasury Regulations §1.338-6. Buyer shall prepare and file Form 8023 and such other documents required in connection with the Section 338(h)(10) Election. Seller, Holding Company and Buyer shall cooperate fully with each other and make available to each other such Tax data and other information as may be reasonably required by Seller or Buyer in order for Buyer to timely file the Section 338(h)(10) Election and any other required statements or schedules (or any amendments or supplements thereto) and compute the aggregate deemed sale price and the adjusted grossed-up basis in accordance with the Treasury regulations.

Section 7.2 Required Approvals. As promptly as practicable after the date of this Agreement, Buyer and Seller shall, and Seller shall cause the Companies to, make all filings required by Legal Requirements to be made by them in order to consummate the Contemplated Transactions. Between the date of this Agreement and the Closing Date, Buyer and Seller shall,

and Seller shall cause the Companies to, cooperate with each other with respect to all filings that the other elects to make or is required by Legal Requirements to make in connection with the Contemplated Transactions.

Without limiting the generality of the foregoing, Seller and Buyer shall promptly make and effect all registrations, filings and submissions required to be made or effected by them pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act") and other applicable Legal Requirements with respect to this Agreement and the other Transaction Documents and the Contemplated Transactions. Each of Seller and Buyer shall bear one-half of the cost of such filing. Without limiting the generality of the foregoing, each of Buyer and Seller shall (a) promptly provide all information requested by any Governmental Body in connection with this Agreement and the other Transaction Documents and the Contemplated Transactions, and (b) promptly take all actions and steps necessary to obtain any antitrust clearance or similar clearance required to be obtained from the Federal Trade Commission, the Antitrust Division of the Department of Justice, any state attorney general, any foreign competition authority or any other governmental entity in connection with the Contemplated Transactions. The actions required to be taken by Buyer and Seller pursuant to this Section in order to obtain required antitrust clearances will include using reasonable efforts to avoid or set aside any preliminary or permanent injunction or other Order but do not include making arrangements for the disposition of particular assets and making arrangements to hold such assets separate pending their disposition.

Without limiting the generality of the foregoing, each party hereto shall (a) give the other party prompt notice of the commencement of any Proceeding by or before any Governmental Body with respect to this Agreement or the other Transaction Documents or any of the Contemplated Transactions, (b) keep the other party informed as to the status of any such Proceeding, and (c) promptly inform the other party of any communication to or from the Federal Trade Commission, the Antitrust Division of the Department of Justice, or any other Governmental Body regarding this Agreement or the Contemplated Transaction.

Section 7.3 FCC Actions. Seller and Buyer shall (i) promptly make any submissions required under the FCC's rules or the Communications Act or requested by the FCC or its staff; (ii) use reasonable efforts to cooperate with one another in (A) determining whether any filings are required to be made with, or consents, authorizations or approvals are required to be obtained from the FCC in connection with the execution, delivery and performance of the Transaction Documents, and (B) timely make all such filings and timely seek all such consents, authorizations or approvals; and (iii) take, or cause to be taken, all other actions and do, or cause to be done, all other things necessary, proper or advisable to consummate and make effective the transactions contemplated hereby, including, without limitation, taking or undertaking all such further action as may be necessary to resolve such objections, if any, as the FCC, may assert under communications laws with respect to the Contemplated Transactions. Any fee payable to the FCC in connection with such filing will be borne one-half by Seller and one-half by Buyer.

Section 7.4 Amendment to Holding Company Articles. If the Closing occurs prior to November 6, 2002, Seller hereby agrees to vote its shares in Holding Company in favor

of an amendment to Holding Company's Articles of Incorporation to eliminate cumulative voting.

Section 7.5 Access to Records. For a period of three years following the Closing Date, Buyer shall provide, or shall cause Operating Company or Holding Company to provide, to Seller reasonable access to or copies of any files, records, books of account, computer programs and software, data and other records which were a part of the Network Assets, which Seller reasonably believes are necessary or advisable for tax reporting or other business purposes.

ARTICLE VIII. CONDITIONS PRECEDENT TO BUYER'S OBLIGATION TO CLOSE

Buyer's obligation to purchase the Shares and to take the other actions required to be taken by Buyer at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived by Buyer, in whole or in part):

Section 8.1 Accuracy of Representations. Each of Seller's representations and warranties in this Agreement must have been accurate as of the date of this Agreement, and must be accurate as of the Closing Date as if made on the Closing Date.

Section 8.2 Seller's Performance.

Each of the covenants and obligations that Seller is required to perform or to comply with pursuant to this Agreement at or prior to the Closing must have been duly performed and complied with in all material respects.

Section 8.3 Consents. Each of the Consents identified in Schedule 3.2 must have been obtained and must be in full force and effect.

Section 8.4 Additional Documents. Each of the following documents must have been delivered to Buyer:

(a) certificates representing the Shares, issued in the name of Buyer or duly endorsed for transfer;

(b) a certificate executed by Seller certifying to Buyer that each of Seller's representations and warranties in this Agreement was accurate in all respects as of the date of this Agreement and is accurate in all respects as of the Closing Date as if made on the Closing Date;

(c) an opinion of Bone McAllester Norton PLLC, dated the Closing Date, in the form of Exhibit 8.4(c);

(d) the Operating Company LLC Agreement, in the form of Exhibit 8.4(d), executed by all of the parties thereto;

(e) the Shareholder Agreement, in the form of Exhibit 8.4(e), executed by Seller and Holding Company;

(f) the Affiliation Agreement, in the form of Exhibit 8.4(f), executed by the parties thereto;

(g) the Participation Agreement, in the form of Exhibit 8.4(g), executed by Seller;

(h) the Loan and Security Agreement, in the form of Exhibit 8.4(h), executed by the parties thereto (other than The E.W. Scripps Company);

(i) the Tax Sharing Agreement, executed by Buyer and Holding Company;

(j) such documents and forms, executed by Seller, as are required to complete properly the Section 338(h)(10) Election; and

(k) such other documents as Buyer may reasonably request for the purpose of (i) evidencing the accuracy of any of Seller's representations and warranties, (ii) evidencing the performance by Seller of, or the compliance by Seller with, any covenant or obligation required to be performed or complied with by Seller, (iii) evidencing the satisfaction of any condition referred to in this Article VIII, or (iv) otherwise facilitating the consummation or performance of any of the Contemplated Transactions.

Section 8.5 No Proceedings. Since the date of this Agreement, there must not have been commenced or Threatened against Buyer, or against any Person affiliated with Buyer, any Proceeding (a) involving any challenge to, or seeking damages or other relief in connection with, any of the Contemplated Transactions, or (b) that may have the likely effect of preventing, delaying, making illegal, or otherwise interfering with any of the Contemplated Transactions.

Section 8.6 No Claim Regarding Ownership or Sale Proceeds. There must not have been made or Threatened by any Person any claim asserting that such Person (a) is the holder or the beneficial owner of, or has the right to acquire or to obtain beneficial ownership of, any stock of, or any other voting, equity, or ownership interest in, the Companies, or (b) is entitled to all or any portion of the Purchase Price.

Section 8.7 No Prohibition. Neither the consummation nor the performance of any of the Contemplated Transactions will, directly or indirectly (with or without notice or lapse of time), materially contravene, or conflict with, or result in a material violation of, or cause Buyer or any Person affiliated with Buyer to suffer any material adverse consequence under, (a) any applicable Legal Requirement or Order, or (b) any Legal Requirement or Order that has been published, introduced, or otherwise proposed by or before any Governmental Body.

Section 8.8 Loan Transaction. All of the conditions to the making of the $47,500,000 loan by Buyer to Seller, other than consummation of the Closing, shall have been satisfied and the closing thereof shall occur simultaneously with the Closing.

Section 8.9 Network Assets and Network Liabilities. The Network Assets and the Network Liabilities shall have been transferred to Holding Company or Operating Company and a portion of Seller's membership interest in Operating Company representing 87.5% of the outstanding membership interests of Operating Company shall have been transferred to Holding

Company, each on terms and conditions and pursuant to documentation in form and substance in all respects reasonably satisfactory to Buyer.

Section 8.10 Holding Company Amended Articles. The Articles of Incorporation of Holding Company shall have been amended to change the name thereof to Scripps Shop At Home Holding Company and, if the Closing occurs after November 6, 2002, to eliminate cumulative voting.

Section 8.11 Title Insurance. Operating Company shall be the beneficiary of a policy or policies of title insurance with respect to its real property, in form and substance satisfactory to Buyer.

Section 8.12 754 Election. Operating Company shall have made an election pursuant to IRC §754.

Section 8.13 Amendment of Option Plans; Employment Agreements. Seller shall have amended all of its various stock option plans, agreements and grants to the extent necessary in Buyer's reasonable opinion to provide that the Contemplated Transactions do not trigger any change in control, successor or automatic conversion provisions contained therein. Operating Company or Holding Company shall have entered into employment agreements, upon terms and conditions satisfactory to Buyer in its sole and absolute discretion with those executive officers listed on Schedule 8.13 containing such terms as set forth on Schedule 8.13.

Section 8.14 HSR Act. The waiting period (and any extensions thereof) applicable to the Contemplated Transactions under the HSR Act shall have been terminated or shall have expired.

Section 8.15 Shareholder Approval. The Shareholders Meeting, the Shareholders Vote and the Shareholder Approval shall have been consummated.

ARTICLE IX. CONDITIONS PRECEDENT TO SELLER'S OBLIGATION TO CLOSE

Seller's obligation to sell the Shares and to take the other actions required to be taken by Seller at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived by Seller, in whole or in part):

Section 9.1 Accuracy of Representations. Each of Buyer's representations and warranties in this Agreement must have been accurate in all respects as of the date of this Agreement and must be accurate in all respects as of the Closing Date as if made on the Closing Date.

Section 9.2 Buyer's Performance. Each of the covenants and obligations that Buyer is required to perform or to comply with pursuant to this Agreement at or prior to the Closing must have been performed and complied with in all material respects.

Section 9.3 Consents. Each of the Consents identified in Schedule 3.2 must have been obtained and must be in full force and effect.

Section 9.4 Additional Documents. Each of the following documents must have been delivered to Seller:

(a) the Shareholder Agreement, duly endorsed by Buyer;

(b) the Participation Agreement, in the form of Exhibit 8.4(g), executed by Buyer;

(c) the Loan and Security Agreement, in the form of Exhibit 8.4(h), executed by The E.W. Scripps Company;

(d) a certificate executed by Buyer certifying to Seller that each of Buyer's representations and warranties in this Agreement was accurate in all respects as of the date of this Agreement and is accurate in all respects as of the Closing Date as if made on the Closing Date;

(e) the E.W. Scripps Company and Operating Company shall have entered into a Secured Cognovit Promissory Note in a principal amount of $35,000,0000 and the security documents referred to therein;

(f) such documents as Seller may reasonably request for the purpose of (i) evidencing the accuracy of any representation or warranty of Buyer, (ii) evidencing the performance by Buyer of, or the compliance by Buyer with, any covenant or obligation required to be performed or complied with by Buyer, (iii) evidencing the satisfaction of any condition referred to in this Article IX, or (iv) otherwise facilitating the consummation of any of the Contemplated Transactions.

Section 9.5 No Injunction. There must not be in effect any Legal Requirement or any injunction or other Order that prohibits the sale of the Shares by Seller to Buyer.

Section 9.6 Loan Transaction. All of the conditions to the making of the $47,500,000 loan by Buyer to Seller, other than consummation of the Closing, shall have been satisfied and the closing thereof shall occur simultaneously with the Closing.

ARTICLE X. TERMINATION

Section 10.1 Termination of Agreement. This Agreement may be terminated and the transactions contemplated hereby abandoned at any time prior to the Closing Date:

(a) by mutual written consent of Buyer and Seller duly authorized by their respective Boards of Directors;

(b) by either Buyer or Seller if there is any law or regulation that makes consummation of the Contemplated Transactions illegal or otherwise prohibited or if consummation of the Contemplated Transactions would violate any non-appealable final order, decree or judgment of any Governmental Entity having competent jurisdiction;

(c) by either Seller or Buyer on or after January 1, 2003 if the Closing shall not have been consummated on or before December 31, 2002 (the "Termination Date"); provided that such right to terminate this Agreement will not be available to any party whose failure to perform or satisfy in any material respect any covenant, condition or obligation of such party under this Agreement when performance or satisfaction thereof was due is the cause of such delay;

(d) by either Buyer or Seller if any of the representations or warranties of the other party contained herein are inaccurate or untrue in any respect if qualified by the word "material" or in any material respect if not so qualified, and such inaccuracy cannot reasonably be expected to be cured prior to the Termination Date and, in the case of Seller, the failure of any representation and warranty to satisfy the foregoing standard would reasonably be expected to have a material adverse effect on Operating Company or its ability to operate the Network;

(e) by Buyer if Seller has not within 100 days from the date hereof obtained Shareholder Approval;

(f) by Buyer, provided it is not then in material breach of any of its obligations under this Agreement, if Seller fails to perform or satisfy in any material respect any agreement, covenant, condition or obligation in this Agreement when performance or satisfaction thereof is due and does not cure the failure within 20 business days after Buyer delivers written notice thereof; or

(g) by Seller, provided it is not then in material breach of any of its obligations under this Agreement, if Buyer fails to perform or satisfy in any material respect any agreement, covenant, condition or obligation in this Agreement when performance thereof is due and does not cure the failure within 20 business days after notice by Seller thereof.

The party desiring to terminate this Agreement pursuant to this Section 10.1 will give written notice of such termination to the other party.

Section 10.2 Effect of Termination. Except as set forth in clause (b) to the proviso to the following sentence, each party's right of termination under Section 10.1 is in addition to any other rights it may have under this Agreement or otherwise, and the exercise of a right of termination will not be an election of remedies. If this Agreement is terminated pursuant to Section 10.1, all further obligations of the parties under this Agreement will terminate, except that the obligations in Sections 12.1 and 12.3 will survive; provided, however, that (a) if this Agreement is terminated by a party because of the breach of the Agreement by the other party or because one or more of the conditions to the terminating party's obligations under this Agreement is not satisfied as a result of the other party's failure to comply with its obligations under this Agreement, the terminating party's right to pursue all legal remedies will survive such

termination unimpaired, and (b) if this Agreement is terminated by Buyer pursuant to Section 10.1(e) and Seller has received an offer or proposal for a Third-Party Transaction, then Seller shall pay to Buyer, in cash, within one business day after the closing of the Third-Party Transaction or 30 days after termination of discussions by Seller and such third party with respect thereto a non-refundable fee in the amount of $2,500,000, the receipt of which will be Buyer's sole remedy hereunder.

ARTICLE XI. INDEMNIFICATION; REMEDIES

Section 11.1 Survival; Right to Indemnification Not Affected by Knowledge. All representations, warranties, covenants, and obligations in this Agreement, the Schedules, and any other certificate or document delivered pursuant to this Agreement will survive the Closing. The right to indemnification, payment of Damages or other remedy based on such representations, warranties, covenants, and obligations will not be affected by any investigation conducted with respect to, or any Knowledge acquired (or capable of being acquired) at any time, whether before or after the execution and delivery of this Agreement or the Closing Date, with respect to the accuracy or inaccuracy of or compliance with, any such representation, warranty, covenant, or obligation. The waiver of any condition based on the accuracy of any representation or warranty, or on the performance of or compliance with any covenant or obligation, will not affect the right to indemnification, payment of Damages, or other remedy based on such representations, warranties, covenants, and obligations.

Section 11.2 Indemnification by Seller. Seller shall indemnify and hold harmless Buyer, the Companies and their respective Representatives and Affiliates (collectively, the "Indemnified Persons") for, and shall pay to the Indemnified Persons the amount of, any loss, liability, claim, damage (including incidental and consequential damages), expense (including costs of investigation and defense and reasonable attorneys' fees) or diminution of value, whether or not involving a third-party claim (collectively, "Damages"), arising, directly or indirectly, from or in connection with:

(a) any breach of any representation or warranty made by Seller in this Agreement or any other certificate or document delivered by Seller pursuant to this Agreement;

(b) any breach by Seller of any covenant or obligation of Seller in this Agreement;

(c) any product shipped by, or any services provided by, Seller or a Company prior to the Closing Date;

(d) any liability of Seller that does not constitute a Network Liability; and

(e) any claim by any Person for brokerage or finder's fees or commissions or similar payments based upon any agreement or understanding alleged to have been made by any such Person with either Seller or a Company (or any Person acting on their behalf) in connection with any of the Contemplated Transactions.

The remedies provided in this Section 11.2 will not be exclusive of or limit any other remedies that may be available to Buyer or the other Indemnified Persons.

Section 11.3 Indemnification by Buyer. Buyer shall indemnify and hold harmless Seller, and shall pay to Seller the amount of any Damages arising, directly or indirectly, from or in connection with (a) any breach of any representation or warranty made by Buyer in this Agreement or in any certificate delivered by Buyer pursuant to this Agreement, (b) any breach by Buyer of any covenant or obligation of Buyer in this Agreement, or (c) any claim by any Person for brokerage or finder's fees or commissions or similar payments based upon any agreement or understanding alleged to have been made by such Person with Buyer (or any Person acting on its behalf) in connection with any of the Contemplated Transactions.

Section 11.4 Time Limitations. If the Closing occurs, Seller will not be liable (for indemnification or otherwise) with respect to any representation or warranty, or covenant or obligation to be performed and complied with prior to the Closing Date, other than those in Sections 3.3, 3.11, 3.13, 3.18, and 3.19, unless on or before the second annual anniversary of the Closing Date, Buyer notifies Seller of a claim specifying the factual basis of that claim in reasonable detail to the extent then known by Buyer; a claim with respect to Section 3.3, 3.11, 3.13, 3.18 or 3.19, or a claim for indemnification or reimbursement not based upon any representation or warranty or any covenant or obligation to be performed and complied with prior to the Closing Date may be made at any time. If the Closing occurs, Buyer will not be liable (for indemnification or otherwise) with respect to any representation or warranty, or covenant or obligation to be performed and complied with prior to the Closing Date, unless on or before the second annual anniversary of the Closing Date Seller notifies Buyer of a claim specifying the factual basis of that claim in reasonable detail to the extent then known by Seller.

Section 11.5 Limitations on Amount.

(a) Seller will not be liable (for indemnification or otherwise) with respect to the matters described in Section 11.2(a) or, to the extent relating to any failure to perform or comply prior to the Closing Date, Section 11.2(b) until the total of all Damages with respect to such matters exceeds $100,000, after which Seller will be liable for all Damages and not merely those that exceed $100,000. However, the foregoing limitation will not apply to any breach of any of Seller's representations and warranties of which Seller had Knowledge at any time prior to the date on which such representation and warranty is made or any intentional breach by Seller of any covenant or obligation.

(b) Buyer will not be liable (for indemnification or otherwise) with respect to the matters described in Section 11.3(a) or (b) until the total of all Damages with respect to such matters exceeds $50,000, after which Buyer will be liable for all Damages and not merely those that exceed $50,000. However, the foregoing limitation will not apply to any breach of any of Buyer's representations and warranties of which Buyer had Knowledge at any time prior to the date on which such representation and warranty is made or any intentional breach by Buyer of any covenant or obligation.

Section 11.6 Procedure for Indemnification – Third Party Claims.

(a) Promptly after receipt by an indemnified party under Section 11.2 or 11.3 of notice of the commencement of any Proceeding against it, such indemnified party will, if a claim is to be made against an indemnifying party under such Section, give notice to the indemnifying party of the commencement of such claim, but the failure to notify the indemnifying party will not relieve the indemnifying party of any liability that it may have to any indemnified party, except to the extent that the indemnifying party demonstrates that the defense of such action is prejudiced by the indemnifying party's failure to give such notice.

(b) If any Proceeding referred to in Section 11.6(a) is brought against an indemnified party and it gives notice to the indemnifying party of the commencement of such Proceeding, the indemnifying party may participate in such Proceeding and, to the extent that it wishes (unless (i) the indemnifying party is also a party to such Proceeding and the indemnified party determines in good faith that joint representation would be inappropriate, or (ii) the indemnifying party fails to provide reasonable assurance to the indemnified party of its financial capacity to defend such Proceeding and provide indemnification with respect to such Proceeding) to assume the defense of such Proceeding with counsel reasonably satisfactory to the indemnified party and, after notice from the indemnifying party to the indemnified party of its election to assume the defense of such Proceeding, the indemnifying party shall not, as long as it diligently conducts such defense, be liable to the indemnified party under this Article XI for any fees of other counsel or any other expenses with respect to the defense of such Proceeding, in each case subsequently incurred by the indemnified party in connection with the defense of such Proceeding, other than reasonable costs of investigation. If the indemnifying party assumes the defense of a Proceeding, (i) it will be conclusively established for purposes of this Agreement that the claims made in that Proceeding are within the scope of and subject to indemnification; (ii) no compromise or settlement of such claims may be effected by the indemnifying party without the indemnified party's consent unless (A) there is no finding or admission of any violation of Legal Requirements or any violation of the rights of any Person and no effect on any other claims that may be made against the indemnified party, and (B) the sole relief provided is monetary damages that are paid in full by the indemnifying party; and (iii) the indemnified party will not be liable with respect to any compromise or settlement of such claims effected without its consent. If notice is given to an indemnifying party of the commencement of any Proceeding and the indemnifying party does not, within 20 days after the indemnified party's notice is given, give notice to the indemnified party of its election to assume the defense of such Proceeding, the indemnifying party will be bound by any determination made in such Proceeding or any compromise or settlement effected by the indemnified party.

(c) Notwithstanding the foregoing, if an indemnified party determines in good faith that there is a reasonable probability that a Proceeding may adversely affect it or its affiliates other than as a result of monetary damages for which it would be entitled to indemnification under this Agreement, the indemnified party may, by notice to the indemnifying party, assume the exclusive right to defend, compromise, or settle such Proceeding, but the indemnifying party will not be bound by any determination of a Proceeding so defended or any compromise or settlement effected without its consent (which may not be unreasonably withheld).

(d) Seller and Buyer hereby consent to the non-exclusive jurisdiction of any court in which a Proceeding is brought against any Indemnified Person for purposes of any claim that an

Indemnified Person may have under this Agreement with respect to such Proceeding or the matters alleged therein, and agree that process may be served on Seller or Buyer, as the case may be, with respect to such a claim anywhere in the world.

Section 11.7 Procedure for Indemnification – Other Claims. A claim for indemnification for any matter not involving a third-party claim may be asserted by notice to the party from whom indemnification is sought.

ARTICLE XII. GENERAL PROVISIONS

Section 12.1 Expenses. Except as otherwise expressly provided in this Agreement, each party will bear its respective expenses incurred in connection with the preparation, execution, and performance of this Agreement and the Contemplated Transactions, including all fees and expenses of agents, representatives, counsel, and accountants. In the event of termination of this Agreement, the obligation of each party to pay its own expenses will be subject to any rights of such party arising from a breach of this Agreement by another party.

Section 12.2 Public Announcements. The parties shall issue a joint press release (and individual press releases that have been approved by the other party) upon execution of this Agreement and upon the Closing. Except as otherwise required by law, neither party shall make any other disclosure regarding the Contemplated Transactions without giving the other party the reasonable opportunity to comment on such disclosure. Seller and Buyer will consult with each other concerning the means by which a Company's employees, customers, and suppliers and others having dealings with a Company, will be informed of the Contemplated Transactions, and Buyer has the right to be present for any such communication.

Section 12.3 Confidentiality. The parties shall continue to be bound by the Confidentiality Agreement.

Section 12.4 Declaratory Judgment. If Buyer deems it advisable to seek any declaratory judgment that Shareholder Approval is not necessary, Seller shall cooperate in all respects with respect thereto, including bringing and using its best efforts to vigorously prosecute such action. Buyer, at its own expense, may participate in or direct the prosecution of such action.

Section 12.5 Notices. All notices, consents, waivers, and other communications under this Agreement must be in writing and will be deemed to have been duly given when (a) delivered by hand (with written confirmation of receipt), (b) sent by telecopier (with written confirmation of receipt), provided that a copy is mailed by certified mail, return receipt requested, or (c) when received by the addressee, if sent by a nationally recognized overnight delivery service (receipt requested), in each case to the appropriate addresses and telecopier numbers set forth below (or to such other addresses and telecopier numbers as a party may designate by notice to the other parties):

Seller:

SHOP AT HOME, INC.
5388 Hickory Hollow Parkway
Antioch, Tennessee 37013
Attn: George J. Phillips, Executive Vice President
Facsimile No.: (615) 263-8911

with a copy to:

BONE McALLESTER NORTON PLLC
SunTrust Center
424 Church Street
Suite 900
Nashville, Tennessee 37203
Attn: Charles W. Bone, Esq.
Facsimile No.: (615) 238-6301

Buyer:

SCRIPPS NETWORKS, INC.
c/o The E.W. Scripps Company
312 Walnut Street
28th Floor
Cincinnati, Ohio 45202
Attn: Timothy Peterman, Vice President Corporate Development
Facsimile No.: (513) 977-3024

with a copy to:

BAKER & HOSTETLER LLP
312 Walnut Street
Suite 2650
Cincinnati, Ohio 45202
Attn: William Appleton, Esq.
Facsimile No.: (513) 929-0303

Section 12.6 Jurisdiction; Service Of Process. Any action or proceeding seeking to enforce any provision of, or based on any right arising out of, this Agreement may be brought against any of the parties in the courts of the State of Ohio, Hamilton County, or, if it has or can acquire jurisdiction, in the United States District Court for the Southern District of Ohio, and each party consents to the jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceeding and waives any objection to venue laid therein. Process in any action or proceeding referred to in the preceding sentence may be served on any party anywhere in the world.

Section 12.7 Further Assurances. Each party agrees (a) to furnish to the other party such further information, (b) to execute and deliver to the other party such other

documents, and (c) to do such other acts and things, all as the other party reasonably requests for the purpose of carrying out the intent of this Agreement and the documents referred to in this Agreement.

Section 12.8 Waiver. The parties' rights and remedies are cumulative and not alternative. A party's failure or delay in exercising any right, power, or privilege under this Agreement or the documents referred to in this Agreement will not operate as a waiver of such right, power, or privilege, and no single or partial exercise of any such right, power, or privilege will preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege. To the maximum extent permitted by applicable law, (a) no claim or right arising out of this Agreement or the documents referred to in this Agreement can be discharged by one party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other party; (b) no waiver given by a party will be applicable except in the specific instance for which it is given; and (c) no notice to or demand on one party will be deemed to be a waiver of any obligation of such party or of the right of the party giving such notice or demand to take further action without notice or demand as provided in this Agreement or the documents referred to in this Agreement.

Section 12.9 Entire Agreement and Modification. This Agreement, together with the Confidentiality Agreement, supersedes all prior agreements between the parties with respect to its subject matter and constitutes (along with the documents referred to in this Agreement) a complete and exclusive statement of the terms of the agreement between the parties with respect to its subject matter. This Agreement may not be amended except by a written agreement executed by the party to be charged with the amendment.

Section 12.10 Schedules.

(a) The disclosures in the Schedules must relate only to the representations and warranties in the Section of the Agreement to which they expressly relate and not to any other representation or warranty in this Agreement.

(b) In the event of any inconsistency between the statements in the body of this Agreement and those in the Schedules (other than an exception expressly set forth as such in the Schedules with respect to a specifically identified representation or warranty), the statements in the body of this Agreement will control.

Section 12.11 Assignments, Successors, and No Third-Party Rights. Neither party may assign any of its rights under this Agreement without the prior consent of the other parties, except that Buyer may assign any of its rights under this Agreement to any Affiliate of Buyer. Subject to the preceding sentence, this Agreement will apply to, be binding in all respects upon, and inure to the benefit of the successors and permitted assigns of the parties. Nothing expressed or referred to in this Agreement will be construed to give any Person other than the parties any legal or equitable right, remedy, or claim under or with respect to this Agreement or any provision of this Agreement. This Agreement and all of its provisions and conditions are for the sole and exclusive benefit of the parties and their successors and assigns.

Section 12.12 Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

Section 12.13 Section Headings, Construction. The headings of Sections in this Agreement are provided for convenience only and will not affect its construction or interpretation. All references to "Section" or "Sections" refer to the corresponding Section or Sections of this Agreement. All words used in this Agreement will be construed to be of such gender or number as the circumstances require. Unless otherwise expressly provided, the word "including" does not limit the preceding words or terms.

Section 12.14 Governing Law. This Agreement will be governed by the laws of the State of Ohio without regard to conflicts of laws principles.

Section 12.15 Counterparts. This Agreement may be executed in two or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the date first written above.

BUYER:
SCRIPPS NETWORKS, INC.

By /s/ Richard A. Boehne

Title Executive Vice President

SELLER:
SHOP AT HOME, INC.

By /s/ George R. Ditomassi

Title Co-Chief Executive Officer

By /s/ Frank A. Woods

Title Co-Chief Executive Officer

The E.W. Scripps Company hereby guarantees the obligations of Buyer under the foregoing Share Purchase Agreement.

THE E.W. SCRIPPS COMPANY

By /s/ Richard A. Boehne

Title Executive Vice President

EXHIBIT 1.1A

CONTRIBUTION AND ASSUMPTION AGREEMENT

THIS CONTRIBUTION AND ASSUMPTION AGREEMENT, dated as of , 2002 [*this date will be the Closing Date of the Share Purchase Agreement*] (this "Agreement"), is made by and between Shop At Home, Inc., a Tennessee corporation ("SATH"), and SAH Holdings, Inc., an Ohio corporation and wholly owned subsidiary of SATH ("Holdings").

WHEREAS, SATH desires to contribute to Holdings 88.39% of the 99% membership interest that SATH currently owns in Partners – SATH, L.L.C., a Tennessee limited liability company (the "Company") and a wholly owned subsidiary of SATH (including an indirect 1% interest owned through SAH Acquisition Corporation, a Tennessee corporation and a wholly owned subsidiary of SATH), representing an 87.5% membership interest in the Company; and

WHEREAS, SATH desires to contribute or cause certain of its Affiliates to contribute to Holdings all of its and their rights relating to the employment of the employees of the Network Employees who are listed on Schedule 1.01(b) (the "Network Employees) as set forth herein for the benefit of the Network Business (the "Network Employees Rights"), and Holdings desires to assume certain of the liabilities and obligations of SATH and certain of its Affiliates relating to the employment of the Network Employees by Holdings for the benefit of the Network Business.

NOW, THEREFORE, in consideration of the foregoing and the agreements set forth below, the parties hereto agree as follows:

ARTICLE I
Contribution, Retention and Assumption

1.01 Contributions.

(a) SATH hereby contributes, conveys, transfers and assigns to Holdings, free and clear of all liens and encumbrances, all of SATH's right, title and interest in and to 88.39% of SATH's 99% membership interest in the Company (representing an 87.5% membership interest in the Company) (the "Membership Interest").

(b) SATH and each of its Affiliates with an interest therein hereby contributes, grants, conveys, assigns, transfers and delivers to Holdings all of their Network Employees Rights with respect to the Network Employees listed on Schedule 1.01(b), including all records, contracts, assets and other properties of SATH and its Affiliates related thereto, and SATH and Holdings hereby agree, as soon as is administratively practicable after the date hereof, to cause each Network Employee to become an employee of Holdings for all purposes on such salary as set forth for such Network Employee on Schedule 1.01(b) and such other terms and conditions, including but not limited to bonus, leave allowances and health and welfare benefits, as SATH and Holdings shall mutually agree with the consent of Scripps Networks, Inc.

1.02 Retention and Assumption of Liabilities.

(a) Except for the Assumed Membership Interest Liabilities (hereinafter defined) and the Assumed Employees Liabilities (hereinafter defined) (collectively, the "Assumed Liabilities"), Holdings shall not assume any debts, liabilities or obligations of any kind, character or description, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or undetermined, or any costs or expenses related thereto (collectively, "Liabilities"), of SATH or any Affiliate of SATH, including, but not limited to Liabilities in respect of the Membership Interest, the Network Employees and the Network Employees Rights (collectively, the "Retained Liabilities"), and Holdings shall not at any time be required to assume, pay, perform or discharge any Retained Liabilities.

(b) Notwithstanding the provisions of Section 1.02(a), the Company hereby unconditionally assumes and agrees to pay, perform, satisfy and discharge all Liabilities first arising on or after the date hereof in connection with the ownership of the Membership Interest, whether arising by reason of contact, operation of law or otherwise, and including, but not limited to all such Liabilities arising under the Operating Agreement of the Company dated , (the "Assumed Membership Interest Liabilities").

(c) Notwithstanding the provisions of Section 1.02(a), Holdings hereby unconditionally assumes and agrees to pay, perform, satisfy and discharge (i) all Liabilities first arising on or after the date hereof in connection with the Network Employees and Network Employees Rights and (ii) the Liabilities of SATH and its Affiliates relating to the Network Employees to the extent unpaid, unperformed, unsatisfied and not discharged prior to the date hereof solely as expressly set forth on Schedule 1.02(c) (collectively, the "Assumed Employees Liabilities"). Holdings shall have no responsibility or liability with respect to any employees of SATH or its Affiliates who are not listed on Schedule 1.01(b).

(d) For purposes of this Agreement, the term "Affiliate" means any other legal entity (i) that directly, or indirectly through one or more intermediaries, controls or is controlled by or is under common control with SATH, (ii) that is a general partner, director, manager, trustee or principal officer of, or a limited partner owning more than ten percent (10%) of, or that serves in a similar capacity with respect to, SATH, or (iii) of which SATH is a general partner, director, manager, trustee or principal officer or a limited partner owning more than ten percent (10%) of, or with respect to which SATH serves in a similar capacity. For purposes of this definition of Affiliate, "control" means the possession, directly or indirectly, of the power to direct or to cause the direction of the management or policies of the legal entity in question through the ownership of voting securities or by contract or otherwise. The Holdings shall be excluded from the meaning of Affiliate for all purposes of this Agreement.

(a) 1.03 Intentionally Omitted.

Section 12.16 1.04 Conveyancing and Assumption Instruments. In connection with the transfers of the Membership Interest and the Network Employees Rights and the assumptions of Assumed Liabilities contemplated by this Agreement, the parties hereto agree that (a) the transfers of assets, rights and properties contemplated hereby shall be effected by

delivery by the appropriate parties of such good and sufficient instruments of contribution, transfer and delivery, in form and substance reasonably satisfactory to the parties as shall be necessary to vest in the Holdings all of the right, title and interest in and to the Membership Interest and the Network Employees Rights, and (b) the assumption of the Assumed Liabilities contemplated hereby shall be effected by delivery of the appropriate parties of such good and sufficient instruments of assumption, in form and substance reasonably satisfactory to the parties, as shall be necessary for the assumption by Holdings of the Assumed Liabilities. Each of the parties hereto also agrees to deliver to any other party hereto such other documents, instruments and writings as may be reasonably requested by such other parties hereto in connection with the transactions contemplated hereby. Notwithstanding any other provisions of this Agreement to the contrary, (x) the instruments of transfer or assumption referred to in this Section 1.04 shall not include any representations and warranties, and (y) in the event and to the extent that there is any conflict between the provisions of this Agreement and the provisions of any of the instruments of transfer or assumption referred to in this Section 1.04, the provisions of this Agreement shall prevail and govern.

1.05 Indemnities. SATH shall indemnify Holdings and hold it harmless from any and all claims, demands, losses, liabilities, damages and expenses (including reasonable attorneys fees) ("Losses") arising out of or in connection with the Retained Liabilities. Holdings shall indemnify SATH and hold it harmless from any and all Losses arising out of or in connection with the Assumed Liabilities.

1.06 Further Assurances. Each of the parties promptly shall execute such documents and other instruments and take such further actions (including the making of governmental filings) as may be reasonably required or desirable to carry out the provisions of this Agreement and to consummate the transactions contemplated hereby, including all certificates, assignments, assumption agreements, bills of sale, consents, and other documents, as shall be reasonably necessary to evidence the transactions contemplated hereby.

ARTICLE 2
Miscellaneous

2.01 Parties Bound. This Agreement shall be binding upon the parties and their respective successors and assigns.

2.02 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but together shall constitute but one and the same agreement.

2.03 Entire Agreement. This Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior written and

oral and all contemporaneous oral agreements and understandings with respect to the subject matter hereof.

Section 12.17 2.04 Applicable Law. The laws of the State of Tennessee shall govern this Agreement, excluding any conflict of laws rules.

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed on its behalf by its officers thereunto duly authorized on the day and year first above written.

SHOP AT HOME, INC.

By: _____

Name: _____

Title: _____

SAH HOLDINGS, INC.

By: _____

Name: _____

Title: _____

Schedule 1.01(b)

Network Employees

[To be provided by George Phillips]

Assumed Employee Liabilities

1. Accrued but unpaid wages of the Network Employees.

2. Accrued but unused vacation of the Network Employees.

EXHIBIT 1.1B

CONTRIBUTION AND ASSUMPTION AGREEMENT

THIS CONTRIBUTION AND ASSUMPTION AGREEMENT, dated effective as of , 2002 (this "Agreement"), is made by and among Shop At Home, Inc., a Tennessee corporation ("SATH"), SAH Acquisition Corporation, a Tennessee corporation and a wholly owned subsidiary of SATH ("SAHAC"), and Partners – SATH, L.L.C., a Tennessee limited liability company and a wholly owned subsidiary of SATH through an indirect 1% membership interest held therein by SAHAC and a 99% membership interest held by SATH (the "Company").

WHEREAS, SATH desires to contribute, or cause certain of its Affiliates (hereinafter defined) to contribute, to the Company certain rights, assets and properties relating to SATH's business of selling consumer products through interactive electronic media including broadcast, cable and satellite television and the Internet (via shopathometv.com) (the "Network Business") and to cause the Company to assume certain liabilities and obligations of SATH and certain of its Affiliates relating to the Network Business in order to consolidate substantially all of the rights, assets, properties, liabilities and obligations of the Network Business into the Company, excluding rights and liabilities in respect of the employees of the Network Business (the "Network Employees").

NOW, THEREFORE, in consideration of the foregoing and the agreements set forth below, the parties hereto agree as follows:

ARTICLE 1

CONTRIBUTION, RETENTION AND ASSUMPTION

1.01 Contribution and Retention of Assets.

(a) Except for the Retained Assets (hereinafter defined), SATH and each of its Affiliates with an interest therein hereby contributes, grants, conveys, assigns, transfers and delivers, subject to all liens and encumbrances, a 1% undivided interest to SAHAC and, immediately upon such contribution by SATH to SAHAC, SATH and each of its Affiliates with an interest therein and SAHAC hereby respectively contribute, grant, convey, assign, transfer and deliver 99% and 1% undivided interests to the Company, in and to all right, title and interest of SATH and its Affiliates and SAHAC with an interest therein in and to any and all assets, rights and properties used or held for use in the conduct and operation of the Network Business, whether tangible or intangible, whether fixed, contingent or otherwise, and wherever located (collectively, the "Contributed Assets"), including, but not limited to, the assets, rights and properties described on Schedule 1.01(a).

(b) Notwithstanding the provisions of Section 1.01(a), the Contributed Assets shall not include, and SATH and its Affiliates shall retain all of their right, title and interest in and to,

the assets, rights and properties described on Schedule 1.01(b), SATH's rights under this Agreement, all their rights relating to the employment of the Network Employees and any other assets, rights and properties of SATH and its Affiliates not used or held for use in the operations of the Network Business (collectively, the "Retained Assets").

1.02 Retention and Assumption of Liabilities.

(a) Except for the Assumed Liabilities (hereinafter defined), neither SAHAC nor the Company shall assume any debts, liabilities or obligations of any kind, character or description, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or undetermined, or any costs or expenses related thereto (collectively, "Liabilities"), of SATH, the Network Business, or any Affiliate of SATH, including, but not limited to Liabilities in respect of the Network Employees (collectively, the "Retained Liabilities"), and neither SAHAC nor the Company shall at any time be required to assume, pay, perform or discharge any Retained Liabilities.

(b) Notwithstanding the provisions of Section 1.02(a), SAHAC as to an undivided interest of 1% of SATH therein, and the Company as to the 99% and 1% undivided interests of SATH and SAHAC therein, without recourse, hereby unconditionally assume and agree to pay, perform, satisfy and discharge (i) all Liabilities first arising on or after the date hereof in connection with the Contributed Assets or as a result of the Company's conduct and operation of the Network Business on or after the date hereof and (ii) the Liabilities of SATH and its Affiliates relating to the Network Business (excluding Liabilities in respect of the Network Employees and excluding Liabilities in respect of any Retained Asset) to the extent unpaid, unperformed, unsatisfied and not discharged prior to the date hereof solely as expressly set forth on Schedule 1.02(b) (the "Assumed Liabilities").

(c) For purposes of this Agreement, the term "Affiliate" means any other legal entity (i) that directly, or indirectly through one or more intermediaries, controls or is controlled by or is under common control with SATH, (ii) that is a general partner, director, manager, trustee or principal officer of, or a limited partner owning more than ten percent (10%) of, or that serves in a similar capacity with respect to, SATH, or (iii) of which SATH is a general partner, director, manager, trustee or principal officer or a limited partner owning more than ten percent (10%) of, or with respect to which SATH serves in a similar capacity. For purposes of this definition of Affiliate, "control" means the possession, directly or indirectly, of the power to direct or to cause the direction of the management or policies of the legal entity in question through the ownership of voting securities or by contract or otherwise. The Company and SAHAC shall be excluded from the meaning of Affiliate for all purposes of this Agreement.

1.03 Intentionally omitted.

1.04 Conveyancing and Assumption Instruments. In connection with the transfers of Contributed Assets and the assumptions of Assumed Liabilities contemplated by this Agreement, the parties hereto agree that (a) the transfers of assets, rights and properties contemplated hereby shall be effected by delivery by the appropriate parties of (i) with respect to those which are evidenced by capital stock certificates or similar instruments, certificates duly endorsed in blank or accompanied by stock powers or other instruments of assignment executed in blank, (ii) with

respect to any real property interest and any improvements thereon, a quitclaim deed or the equivalent thereof in accordance with local practice, and (iii) with respect to all other rights, assets and properties, such good and sufficient instruments of contribution, transfer and delivery, in form and substance reasonably satisfactory to the parties as shall be necessary to vest in the Company or SAHAC, as the case may be, all of the right, title and interest in and to the Contributed Assets, and (b) the assumption of the Assumed Liabilities contemplated hereby shall be effected by delivery of the appropriate parties of such good and sufficient instruments of assumption, in form and substance reasonably satisfactory to the parties, as shall be necessary for the assumption by SAHAC or the Company of the Assumed Liabilities. Each of the parties hereto also agrees to deliver to any other party hereto such other documents, instruments and writings as may be reasonably requested by such other parties hereto in connection with the transactions contemplated hereby. Notwithstanding any other provisions of this Agreement to the contrary, (x) the instruments of transfer or assumption referred to in this Section 1.04 shall not include any representations and warranties, and (y) in the event and to the extent that there is any conflict between the provisions of this Agreement and the provisions of any of the instruments of transfer or assumption referred to in this Section 1.04, the provisions of this Agreement shall prevail and govern.

1.05 Indemnities. SATH shall indemnify SAHAC and the Company and hold them harmless from any and all claims, demands, losses, liabilities, damages and expenses (including reasonable attorneys fees) ("Losses") arising out of or in connection with the Retained Liabilities. The Company shall indemnify SATH and SAHAC and hold each of them harmless from all Losses arising out of or in connection with the Assumed Liabilities.

1.06 Further Assurances. Each of the parties promptly shall execute such documents and other instruments and take such further actions as may be reasonably required or desirable to carry out the provisions of this Agreement and to consummate the transactions contemplated hereby, including all assignments, assumption agreements, bills of sale, consents, and other documents as shall be reasonably necessary to evidence the assignments, transfers, conveyances, and assumptions hereunder.

1.07 Employees. Nothing in this Agreement, expressed or implied, shall confer upon any current employee or former employee of SATH or the Company or any of their Affiliates any rights or remedies of any nature or kind whatsoever (including, without limitation, any right to employment, resumed employment or continued employment for any specified period), under or by reason of this Agreement, and no such current or former employee will be deemed to be a third-party beneficiary of any provision of this Agreement.

ARTICLE 2

MISCELLANEOUS

2.01 Parties Bound. This Agreement shall be binding upon the parties and their successors and assigns.

2.02 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but together shall constitute but one and the same agreement.

2.03 Entire Agreement. This Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior written and oral and all contemporaneous oral agreements and understandings with respect to the subject matter hereof.

2.04 Applicable Law. The laws of the State of Tennessee shall govern this Agreement, excluding any conflict of laws rules.

2.05 Exhibits and Schedules. All Exhibits and Schedules referred to herein and attached hereto are incorporated by this reference thereto.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed on its behalf by its officers thereunto duly authorized on the day and year first above written.

SHOP AT HOME, INC.

By: _____

Name:
Title:

SAH ACQUISITION CORPORATION

By: _____

Name:
Title:

PARTNERS-SATH, L.L.C.

By: _____

Name:
Title:

Schedule 1.01(b)

CONTRIBUTED ASSETS

The following sets forth general descriptions of certain assets, rights and properties included in the Contributed Assets:

all programs, programming, performances, productions, content and related materials of any nature whatsoever, and all elements thereof, whether intended for television broadcast or other exhibition over any other medium (including, but not limited to, the Internet) as a live performance, a pre-recorded performance or otherwise, whether completed or in process or production, in whatever form or media the same may be recorded, including, but not limited to, documents, drawings, films, tapes, compact discs, and any other digital or digitized formats (collectively, the "Programming Materials"), all related common law and statutory Network Intangible Rights (as defined in paragraph (c) hereof) in the Programming Materials and all rights, releases, clearances, and licenses granted by third parties (including, but not limited to persons appearing in, or performing services in connection with the exhibition and syndication of, any of the Programming Materials) with respect to such third parties' literary, artistic, trademark, copyright, music performance, master use, synchronization and other similar intellectual property rights and their publicity, privacy and publishing rights (collectively, the "Third-Party Intangible Rights") in the Programming Materials;

all sales support, advertising, marketing and promotional materials of any nature whatsoever, including, but not limited to, interstitial promotional materials, and all elements thereof (including, but not limited to, all advertiser files, information, lists and rate cards, all catalogs, data, drawings, designs, files, price lists and subscriber information, files and lists, and all other records and other documents related thereto), whether intended for television broadcast or other exhibition over or in any other medium (including, but not limited to, the Internet and any print media) as a live performance, a pre-recorded performance or otherwise, whether completed or in process or production, in whatever form or media the same may be recorded, including, but not limited to, documents, drawings, films, tapes, compact discs, and any other digital or digitized formats (collectively, the "Promotional Materials"), all related common law and statutory Network Intangible Rights in the Promotional Materials and all rights, releases, clearances, and licenses granted by third parties (including, but not limited to, persons appearing in, or performing services in connection with the exhibition and syndication of, any of the Promotional Materials) with respect to such third parties' Third-Party Intangible Rights in the Promotional Materials;

all domestic or foreign patents, patent applications, written invention disclosures to be filed or awaiting filing determinations, copyrights, trademark and service mark applications, registered trademarks, registered service marks, unregistered trademarks and service marks in which SATH or its Affiliates possess common law rights, uniform resource locators, domain names, franchises, trade names, jingles, slogans, logotypes, copyrights and other intangible rights owned, leased or licensed (collectively, the "Network Intangible Rights");

all goodwill associated with the Network Business as a going concern and with the Network Intangible Rights;

all files, records, books of account, computer programs, tapes, electronic data processing software, data and other records to the extent exclusively relating to the conduct and operation of the Network Business, in whatever form or format they are maintained, kept or stored, including, without limitation, books of account and accounting information, purchasing and production information, income, sales, use and all other tax information, subscriber data, subscriber and other third party credit information, pricing information, advertiser information, cost and expense information, market research, surveys and reports, equipment service, maintenance and warranty records, sales, advertising, marketing and promotional materials, and industry information;

all Contracts entered into in connection with the conduct and operation of the Network Business (such as, without limitation, contracts with suppliers, service vendors, providers of insurance or services in connection with employee benefit and welfare plans, advertisers, consultants and designers) and all rights under such Contracts, whether such rights are express or implied, matured or unmatured, known or unknown, absolute or contingent;

all stationery, forms, labels, and similar supplies bearing, exhibiting or otherwise embodying any of the Network Intangible Rights;

all prepaid expenses, deposits and other current assets of a similar nature related to Contracts or otherwise, including cash, cash equivalents, notes receivable, accounts receivable and prepaid taxes, and all negotiable instruments and chattel paper, including credit card receivables and accrued interest charges on customer accounts;

all rights to all post office boxes, telephone numbers and facsimile numbers;

all orders, arrangements, understandings and Contracts for the sale of advertising time on broadcasts or on Internet web sites;

all goods, assets, rights and services due under trade contracts with third parties, and all inventory and work in process;

all permits, licenses, consents, approvals or other authorizations from or of any court, arbitral tribunal, administrative agency or commission or other governmental or other regulatory authority, agency or body relating to or necessary for the conduct and operation of the Network Business;

all rights, claims, credits, causes of action and rights of set-off against third parties relating to the Network Business or Contributed Assets; and

all real property, furniture, fixtures, equipment, vehicles, tools, computer and hardware, whether owned, leased licensed or otherwise, and all appurtenances thereto.

Schedule 1.01(b)

RETAINED ASSETS

The following sets forth the Retained Assets:

(a) all assets, rights and properties directly used or directly held for use in the operation of the five (5) UHF television station properties owned and operated by SATH and its Affiliates in San Francisco, California, Boston, Massachusetts, Cleveland, Ohio, Raleigh, North Carolina and Bridgeport, Connecticut, including but not limited to, the FCC licenses for such stations, equipment at such stations, employment agreements of the personnel working at such stations and the leases and other Contracts which relate exclusively to such stations, but excluding all rights in Programming Materials, Third-Party Intangible Rights, Promotional Rights, and Network Intangible Rights.

(b) AT&T/TCI full-time carriage agreement dated 4/24/96.

(c) Employment related contracts with Bennett S, Smith, George S. Ditomassi, Frank A. Woods, Arthur D. Tek, George J. Phillips, Robert B. Wales, Ronald T. Cook, Thomas N. Merrihew and Howard W. Lambert.

(d) Promissory Notes from J.D. Clinton and Charles W. Bone.

(e) Equity Edge Software concerning SATH's stock option program.

(f) The membership interest in the Company and the shares of capital stock in SAH Holdings, Inc. and SAHAC owned and held by SATH.

(g) Paymaxx Agreement.

(h) All rights, claims, credits, causes of action and rights of set-off against third parties relating to the Retained Liabilities.

Schedule 1.02(b)

ASSUMED LIABILITIES

(a) The current liabilities of the Network Business as of the date hereof reflected or reserved against on the face of the Pro Forma Statement of Assets and Liabilities attached to and made part hereof (as approved in writing by Scripps Networks, Inc.). SATH hereby represents and warrants to the Company that such Pro Forma Statement of Assets and Liabilities has been prepared in all material respects consistently with the Pro Forma Statement of Assets and Liabilities of the Network Business as of June 30, 2002 delivered by SATH to Scripps Networks, Inc. in connection with the Share Purchase Agreement dated August , 2002 between SATH and Scripps Networks, Inc. SATH further represents and warrants to the Company that such Pro Forma Statement of Assets and Liabilities does not contain any current liabilities not incurred in the Ordinary Course of Business (as such term is defined in the Share Purchase Agreement referred to herein).

(b) If any claim is made after the date hereof by a third party alleging infringement of such third party's intellectual property rights arising from the use of the name "Shop at Home" in the operation of the Network Business by either or both SATH or the Company, as between SATH and the Company, SATH shall be responsible for all Liabilities which arose therefrom that relate to any period prior to the date hereof and the Company shall be responsible for all Liabilities which arose therefrom on and after the date hereof and, if the Company elects to defend such claim, the Company shall at its cost and expense provide a defense for both the Company and SATH; provided that SATH shall cooperate with the Company at SATH's cost and expense as may be reasonably required.

EXHIBIT 8.4(c)

Capitalized terms used herein will have the meanings set forth in the Share Purchase Agreement between Shop At Home, Inc. and Scripps Networks, Inc. (the "Purchase Agreement").

1. Seller is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Tennessee. The Holding Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Ohio. The Operating Company is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Tennessee.

2. Each of Seller, the Holding Company and the Operating Company has the necessary power and authority to conduct its business as currently conducted and to own, lease and use its assets in the manner in which its assets are currently owned, leased and used. Each of Seller, the Holding Company and the Operating Company is qualified to do business as a foreign corporation in each jurisdiction in which the nature of its business or ownership of its assets requires such qualification (except to the extent that failure to be so qualified would not have a material adverse effect on the business of Seller, the Holding Company or the Operating Company, as the case may be), and is in good standing in each such jurisdiction.

3. The Holding Company has 1,500 authorized shares, without par value, of which 1,000 are outstanding and are held beneficially and of record by Seller. All of the Holding Company's outstanding shares have been duly authorized and validly issued and are fully paid and nonassessable.

4. The Operating Company is owned beneficially and of record 1% by SAH Acquisition Corporation, 87.5% by the Holding Company and 11.5% by Seller.

5. No preemptive rights, rights of first refusal or similar rights to purchase securities of the Operating Company or the Holding Company exist and no such rights will arise or become exercisable by virtue of or in connection with the transactions contemplated by the Agreement. There are no outstanding or authorized options, warrants, convertible securities, subscription rights, conversion rights, exchange rights relating to the issuance or sale of any securities of the Holding Company or the Operating Company. There are no stock appreciation, phantom stock, profit participation or other similar rights granted by the Holding Company or the Operating Company.

6. To our knowledge, there is no pending Proceeding and no Person has threatened to commence any Proceeding materially affecting or that could materially affect the Holding Company or the Operating Company, or their properties or assets or the Network or that questions the validity or enforceability of the Transaction Documents or the Contemplated Transactions.

7. Each of Seller, the Holding Company and the Operating Company has the requisite power and authority to enter into and to perform its obligations pursuant to the Transaction Documents to

which it is a party. The execution, delivery and performance by each of Seller, the Holding Company and the Operating Company of the Transaction Documents to which it is a party, and the consummation of the Contemplated Transactions, have been duly authorized by all necessary corporate and shareholder action on the part of Seller, the Holding Company and the Operating Company. The Transaction Documents to which each of Seller, the Holding Company and the Operating Company is a party constitute the legal, valid and binding obligation of Seller, the Holding Company or the Operating Company, as the case may be, enforceable against such entity in accordance with their respective terms.

8. The execution and delivery by each of Seller, the Holding Company and the Operating Company of the Transaction Documents to which it is a party and the consummation by such entity of the Contemplated Transactions will not (a) violate such entity's Organizational Documents; (b) violate any Legal Requirement applicable to the Contemplated Transactions; or (c) cause a default by such entity under, or give rise to a right of payment under or the right to terminate, amend, modify, abandon or accelerate obligations under, any Contract to which such entity is a party or by which it or any of its assets or properties are bound.

9. Except for the third party consents or notices set forth on Schedule 3.2 to the Purchase Agreement, none of Seller, the Holding Company or the Operating Company is required to make any filing with or give any notice to or obtain any consent from any Person in connection with the execution and delivery of the Transaction Documents or consummation of the Contemplated Transactions.

EXHIBIT 8.4(d)

AMENDED AND RESTATED OPERATING AGREEMENT

OF

SHOP AT HOME NETWORK, LLC

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AMENDED AND RESTATED OPERATING AGREEMENT
OF
SHOP AT HOME NETWORK, LLC

THIS AMENDED AND RESTATED OPERATING AGREEMENT of Shop At Home Network, LLC, a Tennessee limited liability company fka Partners – SATH, L.L.C. (together with any successor thereto, the "Company"), dated as of , 2002, is made by and among Shop At Home, Inc., a Tennessee corporation ("SATH"), SAH Acquisition Corporation, a Tennessee corporation and wholly owned subsidiary of SATH ("Sub"), and The Scripps Shop At Home Holding Company, an Ohio corporation fka SAH Holdings, Inc. ("Scripps Holding").

WHEREAS, SATH holds an eleven and one-half percent (11.5%) membership interest in the Company, Sub holds a one percent (1%) membership interest in the Company and Scripps Holding holds an eighty-seven and one-half percent (87.5%) membership interest in the Company; and

WHEREAS, pursuant to the Share Purchase Agreement, dated August 14, 2002, between Scripps Networks, Inc., a Delaware corporation ("Scripps"), and SATH, SATH sold to Scripps eighty percent (80%) of the outstanding common shares of Scripps Holding and as a condition to such sale, SATH, Sub, and Scripps Holding are required to enter into this Amended and Restated Operating Agreement.

Article 1

Definitions

Certain capitalized terms used in this Agreement are defined as set forth on Schedule I.

Article 2

The Company

2.1 Formation. The Members hereby agree to associate themselves as Members of the Company under and pursuant to the provisions of the Act for the limited purposes and scope set forth in this Agreement. The Members expressly do not intend to form a partnership under the laws of the State of Tennessee or any other laws; provided, however, that to the extent permissible by law, the Members intend for the Company to be treated as a partnership for Federal, state, and local income tax purposes as more fully set forth in Section 3.4.

2.2 Operating Agreement. In consideration of the mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Members hereby agree to the terms and conditions of this Agreement (as it may from time to time be amended according to its terms), intending that this Agreement, including the Schedules and Exhibits incorporated herein, shall be the sole source of agreement among the Members as to the affairs of the Company and the conduct of its business.

2.3 Name. The name of the Company is "Shop At Home Network, LLC" and all business of the Company shall be conducted under that name or such other assumed or fictitious name or names as may be approved by the Board of Governors. The Company shall execute and file, as appropriate, any assumed or fictitious name certificates and other similar documents and instruments as may be necessary or appropriate with respect to the conduct of the Company's business. The name of the Company may

be changed if authorized by the Board of Governors and upon any such name change the Company shall promptly file such name change instruments as may be required by applicable law.

2.4 Purpose. The purpose of the Company is to own and operate a home shopping cable television network and related interactive web-based service offered and distributed in North America (the "Shop At Home Network") and to take any action as the Board of Governors determines to be appropriate, convenient or incidental to such purpose.

2.5 Authority of Scripps Holding and Scripps Governors with Respect to the Network. Neither Scripps Holding nor the Scripps Governors will be obligated to continue the business operations of the Network, and, as the holder of more than fifty percent (50%) of the Membership Interests, Scripps Holding may cause the discontinuation of the business of the Network and the dissolution of the Company, if, in its sole discretion such business is no longer feasible or desirable or otherwise in the interests of Scripps Holding or Scripps.

2.6 Names and Addresses of Members. The names and addresses of the Members are as reflected on Schedule II.

2.7 Period of Duration. The period of duration of the Company shall commence on the Effective Date and shall continue in perpetuity unless the Company shall be dissolved and its affairs wound up in accordance with the Act or this Agreement.

2.8 Statutory Agent and Office. The Company's statutory agent and office in Tennessee shall be CT Corporation System, 530 Gay Street, Knoxville, Tennessee 37902. At any time, the Board of Governors may designate another statutory agent or office.

2.9 Principal Executive Office. The principal executive office of the Company shall be at 5388 Hickory Hollow Parkway, Nashville, Tennessee, or such other location as may be approved by the Board of Governors.

Article 3

Accounting and General Tax Matters

3.1 Accounting Methods. The Company shall prepare and maintain its books and records substantially in accordance with generally accepted accounting principles (subject, in the case of interim periods, to normal year-end audit adjustments). The Members' Capital Accounts shall be maintained and Profits and Losses shall be calculated as provided in this Agreement.

3.2 Records. The Company shall maintain and preserve, during the term of the Company, and for such time after dissolution as the Board of Governors determines, all accounts, books and other material Company documents and records, including the documents and records required to be maintained by the Act.

3.3 Fiscal Year. The fiscal year of the Company shall be its Taxable Year, which is intended to be the twelve (12) calendar month period ending on December 31 in each year, except that the first fiscal year of the Company shall be that period (even if less than twelve months) beginning on the Effective Date and ending on the next following December 31, and the final fiscal year of the Company shall be

that period beginning on January 1 of such year and ending on the date of cancellation of the Articles of Organization.

3.4 Taxation as a Partnership. It is intended that the Company, as a domestic eligible entity under Treasury Regulations Section 301.7701-3, will be recognized and treated as a partnership for Federal, state and local tax purposes and, accordingly, it is agreed that for Federal income tax purposes, the Company shall keep its books and records and shall report in accordance with the provisions of Subchapter K of Chapter 1 of the Code and such other Code and Treasury Regulations provisions as may apply. The Members further agree that no Member shall cause the Company to elect to be classified other than as a partnership.

3.5 Tax Elections. Except as otherwise provided in this Agreement (including but not limited to Section 9.4.7 and Section 9.6), the Board of Governors may make any and all tax elections for the Company allowed under the Code or the tax laws of any state or other jurisdiction having taxing jurisdiction over the Company.

3.6 Tax Matters Partner. The Board of Governors shall designate one Member as the "tax matters partner" of the Company pursuant to Section 6231(a)(7) of the Code. The initial tax matters partner for the Company shall be Scripps Holding. Upon a Change of Control, a successor "tax matters partner" shall be designated by a Majority of Members entitled to vote after such Change of Control is consummated. Any Member designated as the tax matters partner shall take such action as may be necessary to cause each Member to become a notice partner within the meaning of Section 6223 of the Code. Any Member who is designated the tax matters partner may not take any action contemplated by Sections 6222 through 6232 of the Code without the consent of the Board of Governors.

3.7 Tax Information. The Company shall provide complete tax return information to the Members within one hundred twenty (120) days after the close of each Taxable Year.

Article 4

Management

4.1 Management by the Board of Governors. Except to the extent that any provision of this Agreement or the Act (and in the case of the Act only those provisions which cannot be modified by this Agreement) requires any power, authority, or action to be exercised or taken, or first authorized or taken, or requires any decision to be made, by the Members, the Board of Governors shall have the complete and exclusive right and the fullest right, power and authority, and the Members hereby irrevocably grant to the Board of Governors the complete and exclusive right, power and authority to the fullest extent permitted by the Act, to manage, direct, and control the affairs and business of the Company and exercise the authority and powers of the Company. Without limiting the generality of the foregoing, and by way of example and not limitation, the Board of Governors will have the sole right, power and authority (except as otherwise noted) to cause the Company to take any of the following actions:

4.1.1 acquire, sell, lease, sublease, manage, finance and own assets, whether or not in the ordinary course of the Company's business;

4.1.2 repurchase Membership Interests or any other class or type of interest in the Company;

4.1.3 admit new members to the Company and reduce the Membership Interests of existing Members to reflect the value of new members' contributions to the Company in accordance with Section 7.2;

4.1.4 make distributions and retain significant balances of cash and cash equivalents not required for working capital;

4.1.5 subject to and in accordance with Section 4.4, enter into any transaction with any Member or an Affiliate thereof;

4.1.6 approve an annual budget and any significant deviations therefrom (including capital, operating, research and development budgets);

4.1.7 make capital expenditures;

4.1.8 establish reserves or write-offs;

4.1.9 pay, collect, compromise, litigate, arbitrate or otherwise adjust or settle any and all claims or demands of or against the Company or to hold such proceeds against the payment of contingent liabilities;

4.1.10 borrow money or obtain credit in such amounts, at such rates of interest and upon such other terms and conditions as it deems appropriate, including nonrecourse debts, from banks, other lending institutions or any other Person, including (subject to Section 7.5) the Members or any of their respective Affiliates, and pursuant to indentures, loan agreements or any other type of instrument, for any purpose of the Company, and secure payment of the principal of any such indebtedness and the interest thereon by mortgage, pledge, conveyance or assignment in trust of or grant security interests in the whole or any part of any or all of the property and assets of the Company; provided, however, that no Member shall become personally liable, as a guarantor or otherwise, without such Member's written consent;

4.1.11 make, execute, assign, acknowledge and file any and all documents or instruments of any kind which it may deem necessary or appropriate in carrying out the purposes and business of the Company (and any Person dealing with the Board of Governors shall not be required to determine or inquire into its authority or power to bind the Company or to execute, acknowledge or deliver any and all documents in connection therewith);

4.1.12 assume obligations, enter into contracts, including contracts of guaranty or suretyship, incur liabilities, lend money and otherwise use the credit of the Company, and secure any and all obligations, contracts or liabilities of the Company by mortgage, pledge or other encumbrance of all or any part of the property and assets of the Company;

4.1.13 invest funds of the Company;

4.1.14 employ and engage suitable agents, employees, advisors, consultants and counsel (including any custodian, investment advisor, accountant, attorney, corporate fiduciary, bank or other reputable financial institution, or any other agents, employees or Persons who may serve in such capacity for any Member or any Affiliate thereof) to carry out any activities under this Agreement, including a Person who may be engaged to undertake some or all of the general management, property

management, financial accounting and recordkeeping or other duties, and to indemnify such Persons against liabilities incurred by them in acting in such capacity on behalf of the Company;

4.1.15 employ and retain Persons as may be necessary or appropriate for the conduct of the Company's business;

4.1.16 qualify the Company to do business in any state, territory, dependency or foreign country;

4.1.17 form or cause to be formed, and own securities of, one or more corporations, and form or cause to be formed and participate and own interests in partnerships, joint ventures, limited liability companies, trusts and other entities;

4.1.18 adopt, fund and maintain employee benefit plans or participate in affiliated group plans;

4.1.19 select and engage independent accountants;

4.1.20 choose and change accounting and tax policies;

4.1.21 modify or terminate any of the agreements to which the Company is a party and enter into new agreements; and

4.1.22 take any other actions as the Board of Governors determines to be appropriate, convenient or incidental to the purposes of the Company.

The expression of any right, power or authority of the Board of Governors in this Agreement shall not in any way limit or exclude any other right, power or authority which is not specifically or expressly set forth in this Agreement.

4.2 Board of Governors.

4.2.1 Composition. So long as SATH and Sub collectively hold 12.5% of the Membership Interests of the Company, the Board of Governors shall consist of five (5) members, three (3) to be appointed by Scripps Holding (the "Scripps Governors") and two (2) to be appointed by SATH (the "SATH Governors"). Either Scripps Holding or SATH may remove one or more of its appointees on the Board of Governors and appoint substitutes therefor at any time and from time to time upon written notice to the Company and the other Members. Removals and appointments shall be mandatory at any time upon which the relative Percentage Interests of the Members shift pursuant to this Agreement, so that the relative voting power on the Board of Governors complies at all times with the intent of this Section 4.1.1. Sub shall not be entitled to a Governor. The Company shall also allow one representative designated by SATH to attend all meetings of the Board of Governors in a nonvoting capacity.

4.2.2 Authority. Except for any matter with respect to which approval of the Members is expressly required by this Agreement, any matter pertaining to the Company that the Board of Governors in its discretion submits to a vote of the Members, or any matter with respect to which approval of the Members is required by any provision of the Act which cannot be modified by this Agreement (collectively, the "Reserved Matters"), the Board of Governors shall have full and complete authority, power and discretion to manage and control the business, operations, affairs and properties of the Company, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident thereto. Except for decisions in respect of the Reserved Matters, all

decisions of the Board of Governors shall be presumed to be within its scope of authority, power and discretion and shall be binding on the Company and each Member. The Members hereby waive all rights to vote on matters relating to the management and control of the business, operations, affairs and properties of the Company, other than with respect to the Reserved Matters, and hereby irrevocably assign all such voting rights to the Board of Governors. No member of the Board of Governors in his or her capacity as such shall have the authority, power or discretion to take any action individually other than in the course of carrying out delegated authority, power or discretion under direction given by the Board of Governors or its delegee duly acting.

4.2.3 Voting. All approvals, authorizations, consents, decisions, votes and other actions of the Board of Governors under this Agreement ("Board Actions") shall be deemed duly given, made or taken if accomplished either by (i) the affirmative vote of a majority of the Board of Governors at a duly constituted meeting at which a quorum is present, or (ii) the written action or consent of a majority of the Board of Governors.

4.2.4 Meetings. Meetings of the Board of Governors will be held quarterly at such time and place as are specified in a call for such meeting made by any two members of the Board of Governors by giving at least five (5) business days prior written notice to the other members of the Board of Governors of the time, place and purposes of such meeting. Meetings may be held by conference telephone if each person participating in the meeting can hear and be heard by the others. A designee of the Board of Governors shall keep minutes of each meeting and a record of all Board Actions and shall deliver such minutes and records to the members of the Board of Governors promptly after such meeting.

4.2.5 Committees. The Board of Governors may form such committees of its members with such delegated authority, power and discretion as the Board of Governors may determine from time to time are in the best interests of the Company and the Members. Each such committee shall include at least one SATH Governor.

4.2.6 Compensation. The Company shall not compensate any Governor for services he or she may render to or for the Company in his or her capacity as Governor; provided that the Company shall reimburse each Governor for his or her reasonable out-of-pocket expenses incurred in such capacity on behalf of the Company, subject to any limits imposed by the Board of Governors.

4.2.7 Governors' Time and Effort. Notwithstanding any other provision of this Agreement to the contrary, no Governor shall be required to devote his or her full time, effort, or attention to the operations, business and affairs of the Company, but shall devote such time, effort and attention as such Governor deems to be reasonably necessary to manage and direct the operations, business and affairs of the Company.

4.3 Officers and Employees.

4.3.1 The day-to-day operational management of the Company shall be exercised by such officers as shall be appointed from time to time by the Board of Governors, which officers shall include a President who will be the Chief Manager of the Company and a Secretary and may include any number of Vice-Presidents as may be deemed necessary from time to time by the Board of Governors and a Treasurer, and may include any other officer as may be deemed necessary by the Board of Governors from time to time. Except for the positions of President and Secretary which shall not be held by the same Person, one Person may hold more than one position, but no officer shall execute, acknowledge, or verify any instrument in

more than one capacity. The officers, subject to the direct control of the Board of Governors, shall do all things and take all actions necessary or appropriate to run the business of the Company. Any officer may be removed at any time, with or without cause by the Board of Governors.

4.3.2 The Company may employ such employees and agents as the Board of Governors deems necessary or appropriate to effectuate the purposes of the Company.

4.3.3 The officers and employees of the Company may be officers and employees of Scripps or its Affiliates, including Scripps Holding, and officers and employees of the Company may also be officers and employees of Scripps Holding. The Members hereby waive any conflict of interest that may arise in connection with the foregoing.

4.4 Arrangements with Scripps Affiliates. The Company may enter into any agreement or contract with any Person who is an Affiliate of Scripps, without the prior approval of any Member; provided that any such agreement or contract shall contain substantially such terms and conditions as would be contained in a similar agreement or contract entered into by the Company with a comparable, unaffiliated third party.

4.5 Compensation of Scripps Holdings.

4.5.1 Scripps Holding and its personnel, and any Affiliates of it and their personnel utilized by the Company, may be compensated and reimbursed by the Company for their operating, administrative, management, employee and clerical services for and on behalf of the Company, including but not limited to, the following functions: (i) bookkeeping and accounting, (ii) data processing, (iii) accounts payable, (iv) purchasing, (v) regulatory reporting, (vi) contract administration, (vii) legal, tax and auditing matters, (viii) marketing, (ix) advertising and affiliate sales, (x) programming, (xi) promotion and development, and (xii) human resources matters. Such compensation and reimbursement shall be on substantially the terms that would be available in connection with the provision of such services from comparable, unaffiliated third parties as the Board of Governors shall determine in its discretion.

4.5.2 The Company shall reimburse Scripps Holding for all compensation, benefits, costs, employment taxes, and expenses paid by Scripps Holding to any officer or other employee of Scripps Holding or any Affiliate of Scripps Holding assigned to or working for the Company.

4.6 Discretion. Whenever in this Agreement the Board of Governors or a Member is permitted or required to make a decision in its “discretion” or under a grant of similar authority or latitude, each Governor or Member shall be entitled to exercise his or its sole and absolute discretion after considering only such interests and factors as he or it desires, including, exclusively its interests in the case of a Member, and the interests of the Member he represents on the Board of Governors in the case of a Governor; and shall have no duty or obligation to give preference to any interest of or factors affecting the other Members of its Governor(s).

Article 5

General Rights and Obligations of Members

5.1 Limitation of Liability. Each Member’s personal liability for the debts, liabilities and obligations of the Company shall be limited as set forth in the Act, including but not limited to Section 48-217-101 of the Act, and as set forth in Section 6.1.2.

5.2 Standards for Access to Information. Any Member requesting access to the information described in Section 48-228-102 of the Act shall make such demand in writing, stating the purpose of the demand in reasonable detail, mailed or delivered to the Company at the Principal Office. The Company shall comply with such demand by providing the Member with the right to examine documents in person or by agent or attorney and to make copies of the documents personally examined, or providing the Member true and accurate copies of the documents responsive to the demand. The Company may not keep confidential from the Members any information concerning the business or affairs of the Company, including but not limited to, trade secrets, except information that the Company is required by order of a court of competent jurisdiction to keep confidential, and any confidential information disclosed to a Member shall be subject to the confidentiality and nondisclosure provisions of Section 5.8.

5.3 Limited Voting and Management Rights. Members (but not Assignees who have not been admitted as Substitute Members pursuant to Article 12) shall be entitled to vote only on the Reserved Matters. Except to the extent otherwise expressly provided in this Agreement or in any provision of the Act which cannot be modified by this Agreement, all Reserved Matters shall require the affirmative consent or approval, either in writing or pursuant to a vote at a duly constituted meeting of the Members entitled to vote thereon, of Members having Percentage Interests in excess of 50% of the Percentage Interests of all Members (a "Majority of the Members"). The Members shall meet as often as shall be necessary to act on the Reserved Matters. Except as otherwise provided in this Agreement with respect to the Reserved Matters, no Member may in its capacity as a member participate in the management, control or direction of the Company's operations, business or affairs, transact any business for the Company, or have any right, power or authority to act for or on behalf of or to bind the Company, the same being vested solely and exclusively in the Board of Governors and its delegees. The Members acknowledge and agree that each Member, when exercising its right to vote on Reserved Matters, shall be entitled to exercise such right to vote considering exclusively its own interests and, without limiting the generality of the foregoing, such Member, in exercising its right to vote, shall have no duty or obligation to consider the interests of the Company or the interests of any other Member and may exercise its right to vote irrespective of the effect that the action proposed to be taken will have on the Company or on any other Member and that the foregoing provisions apply whether or not any single Member or group of Affiliated Members constitutes or controls a Majority of the Members.

5.4 Representations and Warranties. Each Member hereby represents and warrants to the Company and each other Member that: (a) it is duly organized, validly existing and in good standing under the laws of its state of organization; (b) it has all requisite power and authority to enter into this Agreement; (c) its execution and delivery of this Agreement and its consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate or limited liability company action on its part; (d) this Agreement has been duly and validly executed and delivered by it and constitutes (assuming the due and valid execution and delivery of this Agreement by the other party) its legal, valid and binding obligation, enforceable against it in accordance with its terms; (e) there is no litigation pending or, to the best of its knowledge, threatened against it which has a reasonable likelihood of materially and adversely affecting the operations, properties or business of the Company or any of such party's obligations under this Agreement; (f) its execution, delivery and performance of this Agreement will not result in a breach of any of the terms, provisions or conditions of any agreement to which it is a party which has a reasonable likelihood of materially and adversely affecting the operations, properties or business of the Company or its obligations under this Agreement; (g) its execution and

delivery of this Agreement does not require any filing by such party with, or approval or consent of, any governmental authority which has not already been made or obtained; and (h) it acknowledges that its Membership Interest has not been registered under the Securities Act of 1933, as amended, or any state securities laws and may not be resold or transferred by such party without appropriate registration or in accordance with an opinion of counsel in form and substance satisfactory to the Board of Governors that an exemption from such requirements is available.

5.5 No Withdrawal of a Member. Except as specifically provided in Article 11, and subject to the provisions for Disposition contained therein, no Member shall have the right to withdraw as a Member of the Company prior to the Liquidation and termination of the Company. No Member shall be considered to have ceased to be or to have withdrawn as a member of the Company for any reason listed in Section 48-245-101(a)(5) of the Act, it being the express intent of the parties that this Agreement contain the complete understanding of the Members in respect thereof. In addition, no Member shall have the right to receive a return of or withdraw any portion of its Capital Contributions to, or to receive any Distributions or Liquidation Proceeds from, the Company, except as provided in Article 10, Article 11 or Article 13, as the case may be.

5.6 Title to Property. All real and personal property owned by the Company shall be owned by the Company as an entity and no Member shall have any ownership interest in such property in the Member's individual name or right. No Member, officer, or agent of the Company shall have the right or authority to pledge, lien, or mortgage any Company asset for his or its own personal benefit.

5.7 Financial Statements. The Board of Governors shall deliver to all Members annual audited financial statements of the Company, commencing with the Fiscal Year ending December 31, 2002, within ninety (90) days after the close of each Fiscal Year and shall deliver to all Members monthly unaudited financial statements of the Company within thirty (30) days after the end of each fiscal month, or within such earlier timeframe as necessary to let the Members comply with their respective reporting obligations to the Securities and Exchange Commission.

5.8 Confidentiality Covenants. Each Member agrees that, except as required by law, legal process, government regulators, or as reasonably necessary for the proper performance of such Member's obligations or the enforcement of such Member's rights under this Agreement, such Member will treat and hold as confidential (and not disclose or provide access to any Person other than such Member's attorneys or accountants, without the prior written consent of the Company) and such Member will cause its Affiliates, officers, managers, governors, partners, employees and agents to treat and hold as confidential (and not divulge, provide access to any Person, or use to the detriment of the disclosing Member or the Company, without the prior written consent of the Board of Governors) all information relating to (i) the business of the Company and of Scripps Holding and (ii) any patents, inventions, designs, know-how, trade secrets or other intellectual property relating to the Company or to Scripps Holding in each case which is of a proprietary nature and the secrecy of which provides a material, competitive, or economic advantage to the Company or Scripps Holding, and in each case excluding (A) information in the public domain when received by such Member or thereafter in the public domain through sources other than such Member, (B) information lawfully received by such Member from a third party not subject to a confidentiality obligation and (C) information developed independently by such Member. The obligations of the Members hereunder shall not apply to the extent that the disclosure of information otherwise determined to be confidential is required by applicable law, provided, however, that prior to disclosing such confidential information to any party other than a

governmental agency exercising its ordinary regulatory oversight of a Member, a Member shall notify the Company thereof, which notice shall include the basis upon which such Member believes the information is required to be disclosed. This Section 5.8 shall survive for a period of five years with respect to any Member that for any reason ceases to be a Member of the Company and for a period of time agreed to by all of the Members in connection with any dissolution of the Company pursuant to Article 13. The provisions of this Section 5.8 shall be enforceable by any and all remedies available at law and in equity, including, but not limited to, damages and injunctive relief.

5.9 Outside Businesses or Opportunities. Except as set forth in the letter agreement, dated as of the date hereof, between SATH and Scripps relating to SATH's right to participate in future acquisitions by Scripps of a home shopping network, Scripps or any Affiliate thereof may engage in or possess an interest in any business venture of any nature or description, including, without limitation, any business venture for the exploitation of home shopping programming, content, merchandising, licensing and products and services and all rights in connection therewith in all media and formats now or hereafter devised, including without limitation, magazines, radio programming, conventions and trade shows, independently or with others, which business venture may be the same as, similar to or dissimilar to the business of the Company or Scripps Holding, and may use the words "Shop At Home"; and neither the Company or Scripps Holding, nor any Member of the Company or any shareholder of Scripps Holding, shall have any rights by virtue of this Agreement in and to such independent ventures or the income or profits derived therefrom, and the pursuit by Scripps or any such Affiliate of any such venture, even if competitive with the business of the Company or Scripps Holding, shall not be deemed wrongful or improper. Neither Scripps nor any Affiliate thereof shall be obligated to present any particular investment opportunity to the Company or Scripps Holding even if such opportunity is of a character which, if presented to the Company or Scripps Holding, could be taken by the Company or Scripps Holding or which, absent this provision, would have to be presented to the Company or Scripps Holding, and Scripps or any such Affiliate shall have the right to take for its own account (individually or as a partner or fiduciary) or to recommend to others any such particular investment opportunity.

5.10 Noncompetition Covenant of SATH. Solely for purposes of this Section 5.10 and for no other purpose, the term "Affiliate" does not include any individual stockholder of SATH or any Person that is a director or officer of SATH. During the period in which SATH has any interest in the Company, and for a period of three years following the earlier of the termination of this Agreement or the termination of SATH's interest in the Company, neither SATH nor any of its Affiliates shall directly or indirectly acquire or possess any interest, or engage or participate, independently or with any other Person, as an owner, investor, shareholder, member, partner, joint venturer, lender, manager, governor, operator, distributor, consultant, contractor, director, officer, employee, agent or otherwise, in any business, enterprise, venture or other activity that consists of the development, ownership, distribution and commercial exploitation of a cable television network or interactive web-based service business the same or substantially the same in concept as the Shop At Home Network. The provisions of this Section 5.10 shall be enforceable by any and all remedies available at law and in equity, including, but not limited to, damages and injunctive relief. Notwithstanding the foregoing, SATH, or any Affiliate of SATH, may acquire and hold shares constituting not more than five percent (5%) of the equity in any company where the shareholding is for investment purposes only and does not confer any control over the business in question and neither SATH nor any such Affiliate is involved in the management of such company or provides services to such company.

5.11 Re-formation in Delaware. SATH hereby consents to the re-formation of the Company as a Delaware limited liability company at Scripps Holdings' option, by virtue of a merger with and into a Delaware limited liability company containing substantially the same rights and obligations with respect to the Membership Interests as contained herein.

Article 6

Exculpatory Provisions; Indemnification

6.1 Exculpatory Provisions.

6.1.1 General Limitation of Liability. Notwithstanding any other provision of this Agreement, whether express or implied, or any obligation or duty at law or in equity (including fiduciary duties), none of the Members, any Governor, or any of their respective Affiliates, or any of their respective officers, directors, stockholders, partners, employees, representatives or agents, and none of the officers, employees, representatives or agents of the Company or its Affiliates (individually, a "Covered Person" and collectively, the "Covered Persons") shall be liable to the Company or any Member for any act or omission of such Covered Person in reliance on the provisions of this Agreement, provided that such act or omission does not constitute fraud, willful misconduct or bad faith ("Disabling Conduct"). For the avoidance of doubt, the Members acknowledge and agree that under no circumstances will the exercise by a Member of its voting rights, or the direction of a member over its representative(s) on the Board of Governors, under any section of this Agreement and the consideration in connection therewith by such Member of exclusively its own interests irrespective of any interests of the Company or any other Member, constitute Disabling Conduct. A Covered Person may rely and shall incur no liability in acting or refraining from acting in reliance upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture, paper, document, signature or writing reasonably believed by such Covered Person to be genuine, and a Covered Person may rely on a certificate signed by an officer or other agent or representative of any Person in order to ascertain any fact with respect to such Person or within such Person's knowledge and may rely on an opinion of counsel selected by such Covered Person with respect to legal matters, unless in any such case such Covered Person commits Disabling Conduct.

6.1.2 Limitation of Duties. The provisions of this Agreement, including, without limitation, this Section 6.1 and Section 5.3, to the extent that they alter, define, limit, modify or restrict the duties (including fiduciary duties) and liabilities of any Covered Person otherwise existing at law or in equity, are agreed by the Members to replace such other duties (including fiduciary duties) and liabilities of such Covered Person.

6.1.3 No Consequential Damages. Notwithstanding any other provision of this Agreement, no Covered Person shall be liable to any other Member, any Governor or other Person claiming by or through any Member, Governor or Affiliate thereof for any lost profits or any special, incidental, consequential, or punitive losses or damages arising out of this Agreement or any breach thereof or any actions or omissions in connection therewith or as the result of any investment in the Company by any Member or Governor or any rights as a Member or Governor.

6.2 Indemnification of Governors and Other Indemnified Persons.

6.2.1 General Obligations of the Company. To the fullest extent permitted by law, the Company shall indemnify and hold harmless each Covered Person from and against any and all losses, claims, demands, liabilities, expenses (including all fees and expenses), judgments, fines, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative in nature, in which the Covered Person may be involved, or threatened to be involved, as a party or otherwise, by reason of being a Member or by reason of management of the affairs of the Company, or status as a Governor, or an Affiliate thereof, or partner, director, officer, member, manager, governor, stockholder, employee, representative or agent thereof or of the Company or a Person serving at the request of the Company, any Governor or any Affiliate thereof with another Person in a similar capacity, which relates to or arises out of the property, business or affairs of the Company, and regardless of whether the liability or expense accrued at or relates to, in whole or in part, any time before, on or after the date hereof. The negative disposition of any such action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of *nolo contendere*, or its equivalent, shall not, of itself, create a presumption that the Covered Person acted in a manner contrary to the standard set forth in Section 6.2.2. Any indemnification pursuant to this Section 6.2 shall be made only out of the assets of the Company.

6.2.2 Disabling Conduct. A Covered Person shall not be entitled to indemnification under Section 6.2.1 with respect to any claim, issue or matter in which it has been finally determined by the non-appealable judgment of a court of competent jurisdiction that it has engaged in Disabling Conduct; provided that a court of competent jurisdiction may determine upon application that, despite such Disabling Conduct, in view of all the circumstances of the case, the Covered Person is fairly and reasonably entitled to indemnification for such liabilities and expenses as the court may deem proper.

6.2.3 Advances. To the fullest extent permitted by law, expenses (including legal fees and expenses) incurred by a Covered Person in defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the covered Person to repay such amount if it shall be determined that the covered Person is not entitled to be indemnified as authorized in this Section 6.2.

6.2.4 Non-Exclusivity. The indemnification provided by this Section 6.2 shall be in addition to any other rights to which a Covered Person may be entitled under any agreement, by law or vote of the Members or otherwise, both as to action in the Covered Person's capacity as a Governor, an Affiliate thereof or a partner, director, officer, stockholder, member, manager, governor, representative, employee or agent thereof, or an officer, employee, representative or agent of the Company or an Affiliate thereof and, as to action in any other capacity, shall continue as to a Covered Person who has ceased to serve in such capacity and shall inure to the benefit of the heirs, successors, assigns and administrators of a Covered Person.

6.2.5 Insurance. The Company may purchase and maintain insurance, to the extent and in such amounts as the Board of Governors shall, in its discretion, deem reasonable, on behalf of Covered Persons and such other Persons as the Board of Governors shall determine, against any liability that may be asserted against or expenses that may be incurred by such Person in connection with activities of the Company or such indemnitees, regardless of whether the Company would have the power to indemnify such Person against such liability under the provisions of this Agreement. The Board of Governors may cause the Company to enter into indemnity contracts with Covered Persons and adopt written procedures

pursuant to which arrangements are made for the advancement of expenses and the funding of obligations under this Section 6.2 and containing such other procedures regarding indemnification as are appropriate.

6.2.6 No Personal Liability of Members. In no event may any Covered Person subject the Members to personal liability by reason of any indemnification of a Covered Person under this Agreement or otherwise. Any indemnification by the Company as authorized by this Section 6.2 shall in no event cause the Members to incur any personal liability beyond their liability stated under this Agreement, nor shall it result in any liability of the Members to any third party.

6.2.7 Conflicts of Interest. A Covered Person shall not be denied indemnification in whole or in part under this Section 6.2 because the Covered Person had an interest in the transaction with respect to which the indemnification applies if the transaction is otherwise permitted by the terms of this Agreement.

6.2.8 Beneficiaries. The provisions of this Section 6.2 are for the benefit of the Covered Persons and their heirs, successors, assigns, administrators and personal representatives and shall not be deemed to be for the benefit of any other Persons. The provisions of this Section 6.2 shall not be amended in any way that would adversely affect the Covered Person without the consent of the Covered Person.

Article 7

Contributions and Loans

7.1 Members' Capital Contributions. As of the Effective Date, each Member has made the Capital Contribution to the Company that is set forth opposite such Member's name on Schedule II. No Member shall be required to make any additional Capital Contributions.

7.2 Additional Equity Funding. If a Majority of the Members determine, in such Majority's discretion, that the Company requires funding in addition to that available under the EWS Credit Facility, the Scripps Governors shall have the sole discretion to determine whether such funding will be in the form of a loan to the Company by Scripps or an Affiliate thereof, the Members (pursuant to Section 7.5) or a third party, or whether such funding will be in the form of Additional Capital Contributions from the Members or Scripps or an Affiliate of Scripps or a third party, any such contribution to be based upon the Fair Market Value of the Company at the time such contribution is proposed to be made, as determined in accordance with Section 11.8. If Capital Contributions are to be made in accordance with the foregoing by Scripps or Scripps Holding or any of their Affiliates, SATH shall be entitled to make an Additional Capital Contribution on a pro rata basis and will be granted a period of six (6) months, measured from receipt of written notice evidencing the aforesaid commitment of Scripps, Scripps Holding or such Affiliate, to determine whether or not to make such Additional Capital Contribution and to make such Additional Capital Contribution in accordance herewith. During such six (6) month period, Scripps, Scripps Holding or such Affiliate of Scripps may make its contemplated Additional Capital Contribution and may loan to the Company funds equal to the portion of the Additional Capital Contribution to be made by SATH, with such loan bearing interest at 6% per annum and with such interest being borne by SATH and payable at the time of its Additional Capital Contribution. Such loan shall be repaid in full, with such interest, when SATH makes its Additional Capital Contribution as contemplated. If a third party makes an additional capital contribution or if Scripps, Scripps Holding or an Affiliate of Scripps makes Additional Capital Contributions to the

Company, but SATH and/or Sub do not (or both Scripps and Sub and/or SATH make Additional Capital Contributions, but not in the ratio of their then-current respective Percentage Interests), then the Percentage Interests of the Members will be recomputed, based on the ratio of the fair market values of the Members' respective Capital Accounts as of the end of the six-month period referred to above and taking into account the Additional Capital Contributions of the Members. Notwithstanding and without limiting the foregoing, SATH will not have any preemptive right to purchase any securities issued to any third party other than Scripps, Scripps Holding or an Affiliate of Scripps.

7.3 No Interest. No interest shall accrue on any Capital Contribution.

7.4 Credit Line. The E.W. Scripps Company ("EWS") and the Company have entered into a credit facility, dated , 2002, pursuant to which EWS may loan up to $35,000,000 in aggregate principal amount to the Company as EWS determines in its sole discretion is necessary for the working capital needs of the Company (the "EWS Credit Facility"). Other than Tax Distributions, the Company shall not make any distributions to the Members until all principal and interest outstanding under the EWS Credit Facility is paid in full. The Members each have received and reviewed copies of all documents evidencing the EWS Credit Facility.

7.5 Loans From Members. In the event that the Board of Governors determines in its reasonable business judgment that it is in the best interest of the Company to borrow funds from the Members for use in the operation of the business of the Company, the Company shall give written notice of such determination to the Members including a requested loan amount. The Members shall have a period of twenty (20) days from the date of such notice in which to give the Company written notice that they wish to loan funds to the Company in an amount equal to the amount of the requested loan, multiplied by their respective Percentage Interests. In that case, the Company shall execute a promissory note in form and content reasonably acceptable to all Members making a loan and such Members shall each loan their share of the requested funds in cash to the Company within five (5) days after the Member's written election to participate in such loan is delivered to the Company. If all Members do not elect to participate in the making of any such loan within the aforementioned twenty (20) day period, the Company may borrow the remaining amount from the Members who have elected to participate in such loan request, in such manner as the Board of Governors deems reasonably appropriate. All loans made pursuant to this Section 7.5 shall be payable upon demand or upon such other commercially reasonable terms as the Board of Governors shall determine. Unless otherwise agreed by the Board of Governors, interest shall accrue and may be payable monthly on the unpaid principal balance of any such loan at a fluctuating interest rate not to exceed two percentage points (2%) in excess of the announced prime rate of The Fifth Third Bank of Cincinnati, Ohio or its successors, and any change in the interest rate due to a change in such announced prime rate shall be effective immediately upon and after each such announced change in the prime rate. Any payments made by the Company on such loans shall be made to the Members in proportion to the outstanding balance of the loans owed to each of them. In making any such loan, Members shall be treated as general creditors of the Company and not as Members.

Article 8

Capital Accounts

8.1 Creation and Maintenance.

8.1.1 Interpretations. The Company shall maintain for each Member a separate Capital Account in accordance with Treasury Regulations Section 1.704-1(b), this Section 8.1 and all other

provisions of this Agreement relating to the maintenance of Capital Accounts. All such provisions of this Agreement are intended to be interpreted and applied in a manner consistent therewith.

8.1.2 Computations. The Capital Account of each Member shall, except as otherwise expressly stated herein, initially consist of the amount of its Capital Account immediately after the date of this Agreement. The Member's Capital Account shall be increased by (a) the amount of cash or the Agreed Value of Contributed Property it contributes to the Company, net of liabilities assumed by the Company or to which the Contributed Property is subject and (b) its allocable share of Profits and items thereof allocated pursuant to the provisions of this Agreement. Its Capital Account shall be decreased by (i) the amount of any cash distributed to it, (ii) the fair market value of any Company Property distributed to it (net of the amount of any Company liability assumed by such Member or which is secured by any Company Property distributed to such Member), (iii) its allocable share of Losses and items thereof allocated pursuant to the provisions of this Agreement, (iv) its share of any expenditures described in Code Section 705(a)(2)(B), and (v) such other items as are required by the Treasury Regulations.

8.1.3 Book Value and Revaluations of Company Property.

(a) "Book Value" means, with respect to any asset of the Company, such asset's adjusted basis for federal income tax purposes, except as follows:

(i) The initial Book Value of any Contributed Property shall be the gross fair market value of such asset.

(ii) The Book Value of all Company assets shall be adjusted to equal their respective gross fair market values, as determined by the Board of Governors in accordance with Code Section 7701(g), as of the following times: (a) the acquisition of an additional interest in the Company by any new or existing Member in exchange for more than a *de minimis* Capital Contribution; (b) the distribution by the Company to a retiring or continuing Member as consideration for a Membership Interest in the Company of more than a *de minimis* amount of money or other Company Property; and (c) the Liquidation of the Company.

(iii) If the Book Value of an asset has been determined or adjusted pursuant to clause (i) or (ii) of this Section 8.1.3, such Book Value shall thereafter be adjusted for the Depreciation taken into account with respect to such asset for purposes of computing Profits and Losses.

(b) The decision of whether to revalue the Company Property and the Members' Capital Accounts, and the amount of any such adjustments shall be determined by the Board of Governors using such reasonable methods of valuation as it may adopt.

8.1.4 Effective Terminations under Code Section 708(b)(1)(B). A Transferee of a Member's Membership Interest will succeed to the Capital Account (or portion thereof) relating to the Disposed interest; provided, however, that if the Disposition causes a termination of the Company under Code Section 708(b)(1)(B), the Company Properties shall be deemed to have been contributed to a new limited liability company in exchange for all of the interests in such new limited liability company, which interests will then be deemed to be distributed in Liquidation of the Company to the Members (including the transferee of an interest). The Capital Accounts of such new limited liability company shall be maintained in accordance with the principles set forth herein, this Agreement will apply to such

new limited liability company and all references herein to the Company will become references to the new limited liability company.

8.2 Transfer of Capital Account; No Code Section 743 Adjustment. In the event of a Disposition of some or all of a Member's Membership Interest as permitted by this Agreement, the Capital Account of the Disposing Member shall become the Capital Account of the Transferee to the extent it relates to the portion of the Membership Interest subject to the Disposition. The Capital Account to which a Transferee succeeds pursuant to a Disposition shall not be adjusted to reflect any basis adjustment under Code Section 743.

8.3 No Deficit Restoration Obligation. Notwithstanding anything in this Agreement to the contrary, no Member shall have an obligation to make any contributions of capital to the Company at any time, including but not limited to an obligation to restore a deficit Capital Account or otherwise.

Article 9

Allocations

9.1 Allocation of Operating Profits and Losses. After accounting for the special allocations contemplated by Section 9.4, and subject to the provisions of Section 9.2 and Section 9.3, Operating Profits and Losses shall be allocated among the Members as follows:

9.1.1 Profits. Operating Profits shall be allocated in the following order and priority:

(a) First, to the extent that Losses have been allocated pursuant to Section 9.1.2(b), Profits shall be allocated among the Members to offset the Losses allocated pursuant to Section 9.1.2(b) until the cumulative Profits allocated pursuant to this Section 9.1.1(a) equal cumulative Losses allocated pursuant to Section 9.1.2(b) for all periods (and allocated among the Members pro rata in proportion to their shares of Losses being offset).

(b) Second, the balance, if any, shall be allocated to the Members pro rata in proportion to their respective Percentage Interests.

9.1.2 Losses. Operating Losses shall be allocated in the following order and priority:

(a) First, to the extent Profits have been allocated pursuant to Section 9.1.1(b) for any prior Taxable Year, Losses shall be allocated first to offset any Profits allocated pursuant to Section 9.1.1(b) (pro rata among the Members in proportion to their shares of Profits being offset). To the extent that any allocations of Profits are offset pursuant to this Section 9.1.2(a), such allocations shall be disregarded for purposes of computing subsequent allocations pursuant to this Section 9.1.2(a).

(b) Second, to the Members pro rata in proportion to their respective Percentage Interests.

9.1.3 Limitations and Special Allocations. Notwithstanding the provisions of Section 9.1.2, no Losses will be allocated to a Member to the extent it would result in or cause a further increase in a deficit balance in its Adjusted Capital Account as of the end of the Taxable Year. In such event, such Losses will be allocated among the Members pro rata in proportion to their Adjusted Capital Account balances. Furthermore, if any Losses are allocated among the Members pursuant to this Section 9.1.3(a),

then notwithstanding the provisions of Section 9.1.1, Operating Profits occurring after the Taxable Year of such Losses will first be allocated to those Members to offset the Losses so allocated pursuant to the second sentence of this Section 9.1.3(a).

9.2 Special Allocations. Notwithstanding anything to contrary contained in Section 9.1, the following special allocations contemplated by this Section 9.2 shall in all events apply in determining the allocation of Profits and Losses among the Members and shall be made prior to the allocations required under Section 9.1.

9.2.1 Nonrecourse Deductions. Nonrecourse Deductions shall be allocated to the Members in proportion to their Percentage Interests.

9.2.2 Member Nonrecourse Deductions. Any Member Nonrecourse Deductions for any Taxable Year shall be allocated to the Member(s) bearing the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Treasury Regulations Section 1.704-2 (i)(1).

9.2.3 Company Minimum Gain. Notwithstanding any other provisions of this Agreement, in the event there is a net decrease in Company Minimum Gain during a Taxable Year, the Members shall be allocated items of income and gain in accordance with Treasury Regulations Section 1.704-2(f). For purposes of this Agreement, this Section 9.2.3 is intended to comply with the minimum gain charge-back requirement of Treasury Regulations Section 1.704-2(f) and shall be interpreted and applied in a manner consistent therewith.

9.2.4 Member Minimum Gain. Notwithstanding any provision of the Agreement to the contrary (except Section 9.2.3 and subject to the exceptions set forth in Treasury Regulations Section 1.704-2(i)(4)), if there is a net decrease in Member Nonrecourse Debt Minimum Gain during any Taxable Year, each Member who has a share of the Member Nonrecourse Debt Minimum Gain, determined in accordance with Treasury Regulations Section 1.704-2(i)(3), shall be specially allocated items of Company income and gain for such Taxable Year (and, if necessary, subsequent Taxable Years) in an amount equal to such Member's share of the net decrease in Member Nonrecourse Debt Minimum Gain, determined in accordance with Treasury Regulations Section 1.704-2(i)(5). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Treasury Regulations Section 1.704-2(i)(4). This Section 9.2.4 is intended to comply with the minimum gain chargeback requirement in Treasury Regulations Section 1.704-2(i) and shall be interpreted consistently therewith. Solely for purposes of this Section 9.2.4, each Member's Adjusted Capital Account balance shall be determined prior to any other allocations pursuant to this Article 9 with respect to such Taxable Year, other than allocations pursuant to Section 9.2.3.

9.2.5 Qualified Income Offset. Any Member who unexpectedly receives an adjustment, allocation or distribution described in Treasury Regulations Code Sections 1.704-1(b)(2)(ii)(d)(4), (5) or (6) that causes a deficit balance in its Capital Account (in excess of any amounts which such Member is obligated to restore to the Company, if any, or any deemed deficit restoration obligation pursuant to Treasury Regulations Sections 1.704-2(g)(1) and (i)(5)), shall be allocated items of income and gain in an amount and a manner sufficient to eliminate, to the extent required by the Treasury Regulations, such deficit balance as quickly as possible. This Section 9.2.5 is intended to comply with the alternate test for

economic effect set forth in Treasury Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted and applied in a manner consistent therewith.

9.2.6 Gross Income Allocation. If any Member has a deficit Capital Account at the end of any Company Taxable Year which is in excess of the sum of (i) the amount (if any) such Member is obligated to restore pursuant to any provision of this Agreement, and (ii) the amount such Member is deemed to be obligated to restore pursuant to the penultimate sentences of Treasury Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5), each such Member shall be specially allocated items of Company income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this Section 9.2.6 shall be made only if and to the extent that such Member would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Article 9 have been made as if this Section 9.2.6 and Section 9.2.5 were not in this Agreement.

9.2.7 Code Section 754 Adjustments. To the extent an adjustment to the adjusted basis of any Company Property or Contributed Property pursuant to Code Section 734(b) or Code Section 743(b) is required, pursuant to the Treasury Regulations to be taken into account in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis), and such gain or loss shall be specially allocated to the Members in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to the Treasury Regulations.

9.3 Corrective Allocations. The allocations set forth in Section 9.2 (the “Regulatory Allocations”) are intended to comply with the requirements of Treasury Regulations Sections 1.704-1(b) and 1.704-2. Notwithstanding any other provisions of this Article 9 (other than the Regulatory Allocations), the Regulatory Allocations shall be taken into account as provided for in the following two sentences. Income, gain, loss and deduction shall be reallocated to the extent that such reallocation causes the net aggregate amount of allocations of income, gain, deduction and loss to each Member to be equal to or more closely approximate the net aggregate amount of such items that would have been allocated to each such Member if the Regulatory Allocations had not occurred. This Section 9.3 shall be interpreted and applied in such a manner and to such extent as is reasonably necessary to eliminate, as quickly as possible, permanent economic distortions that would otherwise occur as a consequence of the Regulatory Allocations in the absence of this Section 9.3.

9.4 Application of Code Section 704(c). Notwithstanding any other provision of this Agreement, to the extent required by law, taxable income, gain, loss, deduction, and items thereof attributable to Contributed Property and to Company Property that has been revalued pursuant to Section 8.1.3 shall be shared among the Members so as to take into account any variation between the basis of the property and the fair market value of the property at the time of contribution or revaluation in accordance with the requirements of Section 704(c) of the Code and the applicable Treasury Regulations thereunder. Further, if Code Section 704(c) applies to any such property, all required reallocations shall be made using the method(s) prescribed by the Board of Governors.

9.5 Distributions of Nonrecourse Liability Proceeds. If, during a Taxable Year, the Company makes a distribution to any Member that is allocable to the proceeds of any Nonrecourse Liability of the Company that is allocable to an increase in Company Minimum Gain pursuant to Treasury Regulations Section 1.704-2(h), then the Company shall elect, to the extent permitted by Treasury Regulations

Section 1.704-2(h)(3), to treat such distribution as a distribution that is not allocable to an increase in Company Minimum Gain.

9.6 Allocation of Debt. For purposes of allocating excess Nonrecourse Liabilities among the Members pursuant to Treasury Regulations Section 1.752-3(a)(3), the Members' interests in Profits shall be allocated among the Members in the proportion to their respective Percentage Interests.

9.7 Other Allocation Provisions.

9.7.1 Elections. Except as otherwise provided in this Agreement (including but not limited to Sections 9.2.7 and 9.4) herein, any elections or other decisions relating to the allocations of Company items of income, gain, loss, deduction or credit shall be made by the Board of Governors in any manner that reasonably reflects the purpose and intention of this Agreement.

9.7.2 Fees to Members. Notwithstanding any provision of the Agreement to the contrary, to the extent any payments in the nature of fees paid to a Member are finally determined by the Internal Revenue Service to be distributions to a Member for federal income tax purposes, such Member shall be allocated gross income in the amount of such distribution.

Article 10

Distributions

10.1 Distributions.

10.1.1 Definition of Distributable Cash. For purposes of this Agreement, the term "Distributable Cash" means, as of the close of each quarter of the Fiscal Year, the aggregate amount of cash on hand or in bank, money market, marketable securities or similar accounts of the Company derived from any source and which the Board of Governors determines, in its discretion, is available for distribution to the Members, after taking into account amounts necessary to pay or fund (i) operating expenses, including but not limited to management expenses, (ii) capital expenditures in excess of those paid with Capital Contributions and borrowed funds, (iii) legal, accounting, management, consulting and advisory fees, (iv) principal and interest payments on borrowed money (including any money borrowed from a Member or an Affiliate of a Member), and (v) any reserves established by the Board of Governors in its discretion for the current Fiscal Year for working capital or other purposes incident to the operation of the Company or contingent liabilities or to maintain or supplement existing reserves established by the Board of Governors in its discretion.

10.1.2 Tax Distributions. Within thirty (30) days, or as soon thereafter as possible, after the end of each fiscal quarter of the Company, the Company shall calculate and distribute to each Member such Member's Mandatory Tax Distribution Amount (as defined herein). The "Mandatory Tax Distribution Amount" for each Member in each fiscal quarter of each Fiscal Year means an amount equal to the excess of (i) the product of (A) the Company's taxable income allocated to (or reasonably estimated to be allocable to) that Member from the beginning of the Fiscal Year through the end of such fiscal quarter attributable to the items allocated to that Member pursuant to this Agreement and (B) the maximum federal corporate income tax rate and the maximum combined state and local corporate income tax rate to which any Member is subject (less the effect of the deduction of state and local income taxes on the federal return, assuming no limitation of that deduction under Code Section 68), over (ii) the aggregate Mandatory Tax Distribution Amounts distributed to that Member for all prior fiscal quarters in such

Fiscal Year. Solely for purposes of this Section 10.1.2, if a Member is allocated a loss for federal income tax purposes under Article 9 for any Fiscal Year or period of the Company beginning after the date of this Agreement, such net loss shall be offset against, and shall reduce the income allocated (or reasonably estimated to be allocable) to, such Member under this Section 10.1.2 in subsequent fiscal quarters of the Company (until such loss is exhausted) for purposes of calculating the Mandatory Tax Distribution Amount for such Member for such subsequent fiscal quarters within the same calendar year. The Mandatory Tax Distribution Amount shall be paid by check delivered by Express Mail, or by wire transfer, (i) at least ten (10) days in advance of each date on which quarterly payments of estimated federal income taxes are due and (ii) on April 10th of the following tax year for any reconciliation amounts. Payments of Mandatory Tax Distribution Amounts shall be made before any other distributions of Distributable Cash.

10.1.3 Distributions of Distributable Cash. To the extent that the Company has any Distributable Cash after the payment of Tax Distributions under Section 10.1.2, the Board of Governors, in its sole discretion, may distribute all or a portion of the balance of the Distributable Cash to the Members in proportion to their Membership Interests in the Company; provided, however, that the parties agree, in accordance with Section 7.4, that it is not the intention of the Members that the Board of Governors distribute any Distributable Cash to the members until after payment of the EWS Credit Facility.

10.1.4 Distributions of Proceeds from Interim Capital Transactions. If the Company engages in an Interim Capital Transaction, the net proceeds received by the Company from such Interim Capital Transaction may, in the discretion of the Board of Governors, be first distributed to Scripps under the EWS Credit Facility, then to Scripps Holding and any other Member to repay its loans (plus interest), and then to the Members pro rata in proportion to their Percentage Interests.

10.1.5 Distributions of Proceeds from Liquidating Capital Transactions. The proceeds of a Capital Transaction (other than from an Interim Capital Transaction) shall be distributed among the Members in accordance with Section 13.5.4.

10.2 General Limitations on Distributions. No Distributions shall be required or permitted, except as provided in this Article 10, in Article 11 with respect to involuntary withdrawals pursuant to which the Company has exercised its Event Option, and in Article 13 with respect to Liquidation of the Company.

Article 11

Dispositions of Membership Interests

11.1 General Restrictions. Except as specifically provided in this Agreement, no Member, Assignee or other Transferee may directly or indirectly Dispose of all or any part of its Membership Interest or other equity interests in the Company, whether now owned or hereafter acquired, without first complying with the terms and conditions of this Article 11. Notwithstanding the foregoing, in no event will SATH be permitted to pledge, hypothecate or encumber its Membership Interest without the written consent of Scripps Holdings to be provided in Scripps Holdings' sole discretion; provided, however that nothing in this Article 11 will prohibit the pledge by SATH of its Membership Interest to Scripps or an Affiliate of Scripps as security for any indebtedness for borrowed money. Without limiting the generality of the foregoing, no Disposition shall be permitted, even if permitted by any other provision of

this Article 11, unless each of the following conditions are satisfied in the judgment of, or waived in writing by, the Board of Governors in its discretion:

11.1.1 The Member, Assignee or other Transferee engaging or attempting to engage in such Disposition (the "Assigning Member") complies with all applicable provisions of this Article 11;

11.1.2 The Person engaging or attempting to engage in such Disposition as the Transferee agrees in writing to assume all of the obligations of the Assigning Member with respect to such Membership Interest (including the obligations imposed under this Agreement, including this Article 11) as a condition to any Disposition and becomes a party to this Agreement;

11.1.3 The Assigning Member and the Transferee each execute, acknowledge and deliver to the Company such instruments of transfer and assignment with respect to such Disposition and such other instruments as may be reasonably deemed necessary by, and in form and substance reasonably satisfactory to, the Board of Governors (including the written instruments described in Section 12.2, if applicable);

11.1.4 Either (i) the Disposed interests will be registered under the Securities Act of 1933, as amended, and any applicable state securities laws, or (ii) the Company shall have received, at the expense of the parties to the Disposition, an opinion of counsel for the Company (or counsel acceptable to counsel of the Company) to the effect that such Disposition is exempt from registration under the Securities Act of 1933, as amended, and is in compliance with all applicable federal and state securities laws and regulations; provided that, in the event that the Board of Governors waives such opinion requirements, such waiver will not constitute a waiver of any subsequent Disposition of such interest or the Disposition of any other interest;

11.1.5 The Disposition does not cause any Nonrecourse Debt that is not already Member Nonrecourse Debt to become Member Nonrecourse Debt;

11.1.6 The Disposition does not result in or create a "prohibited transaction" as defined in Code Section 4975(c), or result or cause the Company or any Member, or any Affiliate of a Member, to be liable for any excise tax under Chapter 42 of the Code, or result in or cause any interest in the Company or the Company's assets to become an asset of an employee benefit plan (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974 or any successor law, and rules and regulations issued pursuant to thereto);

11.1.7 The Disposition does not cause any violation of or an event of default under, or result in acceleration of any indebtedness under, any note, mortgage, loan, or similar instrument or document to which the Company is a party;

11.1.8 The Disposition does not cause a material adverse tax consequence to the Company or any of the Members including but not limited to any material adverse tax consequence resulting, directly or indirectly, from the termination of the Company under Code Section 708;

11.1.9 The Disposition does not cause the Company to be classified as an entity other than a partnership for purposes of the Code;

11.1.10 The Assigning Member and Transferee furnish the Company with the Transferee's taxpayer identification number, sufficient information to determine the Transferee's initial tax basis in

the interest Disposed, and any other information necessary to permit the Company to file all required federal and state tax returns and other legally required information statements or returns; provided that, without limiting the generality of the foregoing, the Company will not be required to make any distribution otherwise provided for in this Agreement with respect to any Disposed interests until it has received such information; and

11.1.11 All costs of the Disposition incurred by the Company are reimbursed by the Assigning Member or the Transferee to the Company.

11.2 Void Dispositions. Any attempted Disposition of a Membership Interest, or any part thereof, not in compliance with this Article 11 shall be null and void ab initio as against the Company and all other Persons, the Company's rights under Section 11.7 shall apply, and the Assigning Member(s) shall be liable to the Company and the other Members for all damages, costs and expenses the other Members may sustain or incur as a result of such attempted Disposition.

11.3 Scripps Holding's Right of First Refusal.

11.3.1 Notice of Intended Disposition. If SATH and Sub desire to accept a bona fide non-Affiliated third party offer for the Disposition of all (but not less than all) of their collective Membership Interests, whether in the public or private markets (including an initial public offering), SATH and Sub shall promptly deliver to Scripps Holding a written offer (the "Offer") to sell such Membership Interests to Scripps Holding on terms and conditions not less favorable to Scripps Holding than those under which they propose to Dispose of such Membership Interests to such third party. The Offer shall disclose the identity of the third party offeror, the agreed terms of the proposed Disposition (including a date certain on which the Disposition will be abandoned and terminated if not then consummated), and any other material facts relating to the proposed Disposition. SATH and Sub shall also provide satisfactory proof that the Disposition of the Membership Interests to such third party offeror would not be in contravention of the provisions set forth in Section 11.1.

11.3.2 Exercise of Right. Within 30 days after receipt of the Offer, Scripps Holding may give written notice to SATH and Sub of its intent to purchase all of SATH's and Sub's Membership Interests on substantially the same terms and conditions as set forth in the Offer. Scripps Holding will have the right to transfer its right to purchase the Membership Interests to any of its Affiliates.

11.3.3 Non-Exercise of Right. If Scripps Holding does not exercise its rights under this Section 11.3, SATH and Sub may thereafter Dispose of all (but not less than all) of their collective Membership Interests to the third party offeror identified in the Offer upon the terms and conditions specified in the Offer; provided that any such Disposition must not be effected in contravention of the provisions of Section 11.1 and the terms of Article 11 must be recognized, including but not limited to Scripps Holding's rights under Section 11.5, and such Disposition must be consummated or abandoned and terminated by a date certain set forth in the Offer but in any event not later than 90 days after the Offer has been declined by Scripps Holding or the time for exercise has lapsed. If SATH and Sub do not effect such Disposition of such Membership Interests within the specified period, this Section 11.3 will continue to be applicable to any subsequent attempted Disposition of SATH's and Sub's Membership Interests.

11.3.4 SATH Debt. In the event of a sale of SATH's and Sub's Membership Interests under this Section 11.3 (whether or not Scripps Holding is the purchaser) SATH shall use the proceeds of such sale

(less expenses related thereto but including the proceeds to Sub) to first, redeem any Series D Senior Redeemable Preferred Stock (the "Series D Preferred Shares") held by EWS or its Affiliates at the Original Issue Price thereof, plus accrued and unpaid dividends thereon, and second, pay to EWS or its Affiliates principal and interest owed by SATH to EWS or its Affiliates under any indebtedness for borrowed money. If Scripps Holding is the purchaser hereunder, Scripps Holding will have the right to offset, on a dollar for dollar basis, from the purchase price payable to SATH hereunder an amount equal to such outstanding indebtedness, redemption price and dividends.

11.4 Transfers to Affiliates. Subject only to compliance with Sections 11.1, a Member or permitted Transferee that is an Entity (each, an "Entity Member") may Dispose of all or any portion of such Entity Member's interests in the Company to any member of an affiliated group of corporations within the meaning of Code Section 1504 that includes such Entity Member. Upon consummation of any Disposition covered by this Section 11.4 in compliance herewith, such Transferee shall become a Substitute Member upon execution of a counterpart of this Agreement.

11.5 Scripps Holding's Right to Sell; SATH's and Sub's Tag Along Right; Scripps Holding's Drag Along Right. Subject only to compliance with Section 11.1 and this Section 11.5, Scripps Holdings and its successors and assigns may Dispose of any or all of their Membership Interests to any Person (a "Purchaser") without notice to any other Member and without any further restriction. As a condition to the effectiveness of any such Disposition, if Scripps Holding intends to Dispose of its Membership Interest and such Disposition would result in a Change of Control of the Company, SATH and Sub will have the collective right to require, as a condition to such Disposition, that the Purchaser purchase from SATH and Sub all of SATH's and Sub's Membership Interests. Such right of SATH and Sub must be exercised concurrently and neither may exercise such right without the participation of the other. Scripps Holding shall promptly deliver to SATH and Sub written notice of the proposed Disposition (the "Sale Notice"), including the terms and conditions of the Purchaser's offer, including the price to be paid to Scripps Holding, and the closing and termination dates, the identity of the Purchaser and any other material facts or terms and conditions. SATH and Sub shall notify Scripps Holding of their intention to participate in such sale as soon as practicable but not later than 30 days after receipt of the Sale Notice, which notice of intention to participate together with the Sale Notice, will be deemed to constitute a valid, legally binding and enforceable agreement for the Disposition of all of SATH's and Sub's Membership Interests. Scripps Holding, SATH and Sub shall sell to the Purchaser all of the Membership Interests in the Company proposed to be Disposed by them at not less than the price originally offered by the Purchaser, and upon other terms and conditions, if any, not more favorable to the Purchaser than those originally offered. Scripps Holding shall use its reasonable best efforts to obtain the agreement of the Purchaser to the participation of SATH and Sub in the contemplated Disposition, and shall not Dispose of any Membership Interest to such Purchaser if such Disposition would result in a Change of Control of the Company and such Purchaser declines to purchase all of SATH's and Sub's Membership Interests pursuant to the terms of this Section. If (a) SATH and Sub elect not to, or otherwise fail to notify Scripps Holding of their decision to or not to, participate in the sale under the Sale Notice and (b) the sale under the Notice of Sale would result in a Change of Control of the Company, Scripps Holding will have the right, but not the obligation, to require SATH and Sub to sell all of their Membership Interests pursuant to the Sale Notice and the foregoing provisions of this Section by written notice of such requirement given within 45 days after its delivery of the Sale Notice to SATH and Sub. In the event of a sale of SATH's and Sub's Membership Interests under this Section 11.5, SATH shall use the proceeds of such sale (less expenses related thereto but including the proceeds to Sub) to first, redeem any Series D Preferred Shares held by EWS or its Affiliates at the Original Issue Price thereof, plus accrued and unpaid dividends thereon, and second, pay to EWS or its Affiliates

principal and interest owed by SATH to EWS or its Affiliates under any indebtedness for borrowed money. If Scripps Holding is the purchaser hereunder, Scripps Holding will have the right to offset, on a dollar for dollar basis, from the purchase price payable to SATH hereunder an amount equal to such outstanding indebtedness, redemption price and dividends.

11.6 Put and Call Rights.

11.6.1 SATH's and Sub's Put Right. At any time after the second anniversary of the Effective Date and prior to the fifth anniversary of the Effective Date, SATH and Sub will have the right (the "Put Right") to require the Company to purchase all but not less than all of the Membership Interests of SATH and Sub on the Contract Terms at a price equal to the Fair Market Value thereof (as determined under Section 11.8). The Put Right must be exercised by SATH and Sub concurrently and neither may exercise such right without the participation of the other. The Fair Market Value will be determined as of the date on which SATH and Sub give written notice to the Company and Scripps Holding of its intent to exercise such right. The closing of a Disposition shall take place not later than 30 days after the Fair Market Value is finally determined. Notwithstanding any permitted Disposition of SATH's and Sub's interests in the Company, the Put Right may not be Disposed to any Person other than a Transferee pursuant to Section 11.4. Notwithstanding the foregoing provisions of this Section 11.6.1, the Put Right may not be exercised if a Sale Notice has been given pursuant to Section 11.5 and has not been rescinded or otherwise terminated. As a condition to the closing of the transactions contemplated by exercise of the Put Right, SATH shall use the proceeds of such sale (less expenses related thereto but including the proceeds to Sub) to redeem any Series D Preferred Shares held by Scripps or its Affiliates at the Original Issue Price thereof, plus accrued and unpaid dividends thereon, and the put price will be reduced, on a dollar for dollar basis, first, by such redemption price, including accrued and unpaid dividends thereon, and second, by the amount of principal and interest owed by SATH to Scripps or its Affiliates under any indebtedness for borrowed money.

11.6.2 SATH's Put Right Upon Scripps's Disposition of Scripps Holding Shares. If Scripps Disposes of or attempts to Dispose of such shares in Scripps Holding that such Disposition (or series of related or unrelated Dispositions) of the shares in Scripps Holding such that, upon consummation thereof, Scripps and/or its Affiliates (taken as a group) would no longer possess, directly or indirectly, the power to direct or cause the direction of management or policies of Scripps Holding through the ownership of shares, then SATH and Sub may exercise their Put Right in Section 11.6.1 notwithstanding any limitations with respect to timing set forth in the first clause of such Section.

11.6.3 Scripps's Call Right. Except to the extent such right may be exercised earlier pursuant to Section 11.6.4, 11.6.5 or 11.6.6, at any time upon and after the fifth anniversary of the Effective Date, Scripps Holding will have the right (the "Call Right") to require SATH and Sub to sell all and not less than all of their Membership Interests to Scripps Holding (or its assignees) on the Contract Terms at a price equal to the Fair Market Value thereof. The Fair Market Value will be determined as of the date on which Scripps Holding gives written notice to SATH and Sub of its intent to exercise such right. The closing of such Disposition will take place not later than 30 days after the Fair Market Value is so determined. Notwithstanding the foregoing provisions of this Section 11.6.3, the Call Right may not be exercised if a Sale Notice has been given pursuant to Section 11.5 and has not been rescinded or otherwise terminated. As a condition to the closing of the transactions contemplated by exercise of the Call Right, SATH shall use the proceeds of such sale (less expenses related thereto but including the proceeds to Sub) to redeem any Series D Preferred Shares held by Scripps or its Affiliates at the Original Issue Price thereof, plus accrued and unpaid dividends thereon, and the call price will be reduced, on a

dollar for dollar basis, first, by such redemption price, including accrued and unpaid dividends thereon, and second, by the amount of principal and interest owed by SATH to Scripps or its Affiliates under any indebtedness for borrowed money.

11.6.4 Scripps Holding Call Right Upon SATH's Disposition of Scripps Holding Shares. If SATH Disposes of or attempts to Dispose of its shares in Scripps Holding under any circumstances, then Scripps Holding may exercise its Call Right in Section 11.6.3 notwithstanding any limitations with respect to timing set forth in the first clause of such Section.

11.6.5 Scripps Call Right Upon Change in Control of SATH. If (A) the board of directors or shareholders of SATH approve a merger or consolidation that results in the shareholders of SATH immediately prior to the transaction giving rise to the consolidation or merger owning less than 50% of the total combined voting power of all classes of stock entitled to vote of the surviving entity immediately after the consummation of the merger or consolidation, (B) the board of directors or shareholders of SATH approve the sale of substantially all of the assets of SATH or the liquidation or dissolution of SATH, (C) any person or other entity (other than SATH) purchases any shares (or securities convertible into shares) pursuant to a tender or exchange offer without the prior consent of the board of directors or becomes the beneficial owner of securities of SATH representing 25% or more of the voting power of SATH's outstanding securities, (D) during any two-year period, individuals who at the beginning of such period constitute the entire board of directors of SATH cease to constitute a majority of the board of directors of SATH, unless the election or the nomination for election of each new director is approved by at least two-thirds of the directors then still in office who were directors at the beginning of that period or (E) any third party acquires the power to direct or cause the direction of management or policies of SATH through the ownership of securities, by contract or otherwise, then Scripps Holding may exercise its Call Right in Section 11.6.3 notwithstanding any limitations with respect to timing set forth in the first clause of such Section.

11.6.6 Scripps Call Right Upon Default. If SATH is in default under this Agreement or any other agreement between it and Scripps or an Affiliate of Scripps (including without limitation the Amendment to SATH's Charter relating to the Series D Preferred Shares), then Scripps Holding may exercise its Call Right in Section 11.6.3 notwithstanding any limitations with respect to timing set forth in the first clause of such Section.

11.6.7 Limitation on Exercise Based on Exercise of Put/Call Relating to Scripps Holding. Notwithstanding anything to the contrary in the foregoing Section 11.6, neither the Put Right nor the Call Right may be exercised unless the Put Right or the Call Right, respectively, set forth in Section 3(f) of the Shareholder Agreement among Scripps Holding, SATH and Scripps relating to the ownership by Scripps and SATH of shares of Scripps Holding is exercised by SATH or Scripps, respectively.

11.7 Certain Buyout Events.

11.7.1 Definition of Event. For purposes of this Section 11.7, the term "Event" means the occurrence of any of the following events or circumstances with respect to any Member or Assignee or other Transferee during any period of ownership of any Membership Interest by such Member or Assignee or other Transferee or with respect to any Membership Interest subject to this Agreement:

(a) such Member, Assignee or Transferee becomes or is determined to be bankrupt or insolvent;

(b) such Member, Assignee or Transferee institutes or has instituted against it any proceedings of any kind under any provision of any applicable bankruptcy or insolvency law seeking any readjustment, arrangement, composition, postponement or reduction of debts, liabilities or obligations (in the case of any involuntary proceeding, which is not removed or dismissed within ninety (90) days);

(c) such Member, Assignee or Transferee makes an assignment for the benefit of its creditors;

(d) such Member, Assignee or Transferee is required or deemed to have Disposed of any interest in any of its Membership Interest by operation of law (other than a Disposition to the Company);

(e) any Membership Interest of such Member, Assignee or Transferee is attached by, levied upon by, or becomes subject to judicial or other legal process and such proceeding is not removed, discharged, dismissed or bonded within ninety (90) days;

(f) the death or Permanent Disability of any Member, Assignee or Transferee who is a natural Person; or

(g) any Membership Interest of such Member, Assignee or Transferee is the subject of a Disposition or an attempted Disposition in any way (including a sale ordered by a court or a Disposition required or deemed to have occurred by operation of law, other than a Disposition to the Company) in breach of this Agreement.

11.7.2 Purchase Option of the Company. Upon the occurrence of an Event, the Member, Assignee or Transferee subject to such Event or its legal representative, if applicable (the "Offering Member"), shall notify the Company and all Members of the Event within five (5) days of its occurrence (the "Event Notice") and, thereupon, the Company shall have the right, but not the obligation, to purchase all, but not less than all, of the Membership Interest owned or held beneficially by the Offering Member at the time of such Event at the price equal to its Fair Market Value as of the date that is the calendar month-end immediately preceding such Event and on and in accordance with the Contract Terms (the "Event Option"). Within five (5) days after the determination of the Fair Market Value in accordance with Section 11.8, the Company shall notify the Offering Member and the other Members of whether it intends to exercise the Event Option and upon any such exercise, the closing thereof shall be made on and in accordance with the Contract Terms. Failure of a party to give or receive an Event Notice shall not prejudice the rights of the other parties under this Section 11.7.

11.7.3 Company's Right of Assignment. At the option of Scripps Holding, the Company's Event Option may be assigned to and assumed by Scripps Holding or an Affiliate of Scripps Holding (if it is not the Offering Member) or, if Scripps Holding does not wish to have the Company's Event Option assigned to it or an Affiliate of it, by any other Member or Members (or their designees) other than the Offering Member, in any case at the option of the Board of Governors in its discretion without any approval by the Members. If any Members other than the Offering Member are purchasers and such other Members are unable to agree upon the amount of the Membership Interest to be acquired by each of them, each purchasing Member shall be entitled to purchase a portion of such Membership Interest in the same proportion that the Percentage Interest of such Member bears to the total Percentage Interests of all such Members.

11.7.4 Scripps Debt. In the event of a sale of SATH's or Sub's Membership Interests under this Section 11.7 (whether or not Scripps Holding is the purchaser) SATH or Sub, as the case may be, shall use the proceeds of such sale (less expenses related thereto) to first, redeem any Series D Preferred Shares held by EWS or its Affiliates at the Original Issue Price thereof, plus accrued and unpaid dividends thereon, and second, pay to EWS or its Affiliates principal and interest owed by SATH to EWS or its Affiliates under any indebtedness for borrowed money. If Scripps Holding is the purchaser hereunder, Scripps Holding will have the right to offset, on a dollar for dollar basis, from the purchase price payable to SATH hereunder an amount equal to such outstanding indebtedness, redemption price or dividends.

11.7.5 Continuing Effect After Insolvency. The failure of the Company or the other Members, as the case may be, to exercise the Event Option, or to consummate the Event Option if exercised, shall not affect their respective rights to purchase the same Membership Interest under and in accordance with any other applicable provisions of this Agreement in the event of a proposed Disposition thereof to any receiver, petitioner, assignee, transferee or other Person attempting to obtain an interest in such Membership Interest by a proposed Disposition or by operation of law. In addition, with respect to any Membership Interest subject to an Event Option which is not purchased by the Company or by any other Members, in the absence of any order to the contrary with respect to such Membership Interest by any court or agency having jurisdiction under federal or state law with respect to the Event, and to the extent not in violation of applicable law, such Membership Interest shall be and remain subject to the provisions and restrictions contained in this Agreement regardless of the identity of the transferee and such transferee shall be deemed to be bound by the terms and provisions of this Agreement as an Assignee.

11.8 Determination of Fair Market Value. If the purchase price for any transaction involving any Membership Interest purchased and sold on and in accordance with the Contract Terms or otherwise is to be the Fair Market Value thereof, or if Additional Capital Contributions are proposed to be made under Section 7.2, the determination of such Fair Market Value as at the applicable valuation date shall be made as set forth in this Section 11.8. Within ten (10) days after it is determined that the Fair Market Value process must be initiated, each of Scripps Holding and SATH will choose a nationally recognized reputable investment bank (which investment bank must commit to deliver its determination within 60 days) to determine the Fair Market Value and the Fair Market Value will be the average of the two determinations so made. Notwithstanding anything to the contrary in the foregoing, however, if the two determinations differ by more than ten percent (10%), then the aforesaid investment banks shall select a third nationally recognized reputable investment bank (which investment bank must commit to deliver its determination within 60 days) to determine the Fair Market Value; and upon receipt of the third determination, the Fair Market Value will be the average of the two determinations closest in amount to each other. Scripps Holding, on the one hand, and SATH and Sub, on the other hand, will share equally in the cost of the investment banks. The Board of Governors and the purchaser(s) and seller(s) in the transaction shall cooperate with the investment banks and provide them (on a confidential basis) with all information regarding the Company and their respective Membership Interests (directly or indirectly owned) as reasonably requested by them. The Fair Market Value shall be determined without regard to any minority interest, lack of marketability or other discounts for any Membership Interest and without regard to any premiums for control.

11.9 Contract Terms. For purposes of this Agreement, the "Contract Terms" are as follows:

11.9.1 Payment Terms. The purchase price to be paid in any transaction subject to the Contract Terms shall be due and payable in cash in full at the closing of the transaction held in accordance with Section 11.9.2, except that the purchase price of any such Membership Interest shall be reduced, at the election of the Company where the Company is the purchaser, by an amount equal to the unpaid balance and any accrued but unpaid interest owed to the Company by the holder of such Membership Interest, and such indebtedness (to the extent of the reduction in purchase price) shall be deemed paid to the Company.

11.9.2 Closing. Any Disposition of a Membership Interest made pursuant to the Contract Terms shall be closed as specified in the applicable Section of this Agreement or, if not so specified, within sixty (60) days after the date on which the parties involved become unconditionally bound under this Agreement to effect such Disposition or at such other time as such parties may otherwise agree.

11.9.3 Documents. Upon the delivery at the closing by the transferee of the purchase price, in cash, to be delivered in payment for such Membership Interest Disposed of pursuant to the Contract Terms, the Disposing Member shall execute and deliver to the transferee all such assignments and other instruments which may reasonably be required to evidence and cause such Disposition to be a valid, binding and legally enforceable Disposition of such Membership Interest to the transferee. The transferor shall also execute and deliver to the transferee a certificate, dated the closing date of such Disposition, containing a representation and warranty that on such date the transferor is the holder of record and sole beneficial owner of the entire Membership Interest so Disposed of, has the full and unrestricted right to sell, assign, transfer and deliver such Membership Interest to such transferee, that the Disposition of such Membership Interest to the transferee will not conflict with or constitute a breach of the Company's Articles of Organization, or this Agreement, and that the transferor is transferring to such transferee good and marketable title to the Membership Interest so transferred, free from all liens, security interests, pledges, encumbrances, equities, charges, claims, voting trusts or restrictions whatsoever, other than those restrictions contained in or arising under this Agreement or, if applicable, the Articles of Organization (and any restrictions arising by reason of federal or state securities laws).

Article 12

Assignees; Substitute Members

12.1 Admission of Substitute Members. Except as provided in Section 11.4, a Transferee of a Membership Interest shall be admitted as a Substitute Member and entitled to all the rights of the Member who initially assigned the Membership Interest only with the approval of the Board of Governors in its discretion and upon its delivery to the Company of such instruments, duly executed, as may be reasonably required by the Board of Governors to confirm such Transferee's agreement to be bound by the terms of this Agreement and to assume all obligations of the Assigning Member under this Agreement. If so admitted, the Substitute Member has all the rights and powers and is subject to all the restrictions and liabilities of the Member originally assigning the Membership Interest. The admission of a Substitute Member, without more, shall not release the Member originally assigning the Membership Interest from any liability to the Company that may have existed prior to such admission.

12.2 Rights of Assignees. If the Board of Governors does not consent to the substitution of a permitted Transferee as a Substitute Member in respect of a Disposed Membership Interest, the permitted Transferee shall be an Assignee and will not, with respect to such Disposed Membership Interest, have any rights or privileges under this Agreement, except (i) the rights of a holder of a

Membership Interest to receive distributions, return of Capital Contributions and related tax allocations and (ii) such privileges and rights which a non-substituted permitted Transferee is entitled to under the Act that cannot be eliminated or modified by this Agreement. Accordingly, an Assignee shall not have any rights to (a) participate or become a participant in the management of the business and affairs of the Company, (b) require an accounting of the Company's transactions, (c) inspect the Company's books and records, (d) require any information from the Company, or (e) exercise any privilege or right of a member of a Tennessee limited liability company which is not specifically and irrevocably reserved to a non-substituted permitted Transferee under the Act.

Article 13

Dissolution and Winding Up

13.1 Dissolution. The Company shall be dissolved and shall commence the winding up of its affairs and liquidation of its assets, upon the first to occur of the following events:

13.1.1 the consent of a Majority of Members to dissolve the Company;

13.1.2 the sale, transfer or other disposition of all or substantially all of the assets of the Company; or

13.1.3 the entry of a decree of judicial dissolution under the Act.

For purposes of this Agreement, no other event shall be deemed an event triggering dissolution, including, but not limited to, the death, retirement, resignation, expulsion, bankruptcy, or dissolution of a Member, or any event specified under the Act as affecting the dissolution of a limited liability company formed under the Act.

13.2 Effect of Dissolution. Upon dissolution, the Company shall cease carrying on (as distinguished from the winding up of its affairs and liquidating of its assets) the Company business, but the Company is not terminated and continues until winding up and liquidation are completed and a certificate of dissolution has been filed with the Secretary of State of the State of Tennessee.

13.3 Winding Up. Upon the occurrence of the event triggering Dissolution, the Company will continue solely for the purposes of winding up its affairs in an orderly manner, liquidating its assets, and satisfying the claims of its creditors and Members. After such event, neither the Board of Governors nor any Member shall take any action that is inconsistent with, or not necessary or appropriate for, the winding up of the Company's business and affairs. The Company's assets will be liquidated as promptly as is consistent with obtaining the fair value thereof, and the proceeds therefrom, to the extent sufficient therefor, will be applied and distributed in accordance with Section 13.5 of this Agreement. The process of winding up and liquidating the assets of the Company is referred to in this Agreement as "Liquidation".

13.4 Fair Market Value Distributions. If upon Liquidation of the Company any assets are to be distributed in kind to the Members, the value of such assets shall be adjusted pursuant to the Treasury Regulations promulgated under Code Section 704(b) and such assets shall be distributed at their respective fair market values. Furthermore, each Member's Capital Account shall be adjusted to reflect what its Capital Account would be if the Company were to sell all of such assets at their respective fair market values and allocated the Profits or Losses among the Members in accordance with the provisions of Article 9.

13.5 Proceeds of Liquidation. The proceeds of the Liquidation of the Company shall be applied and distributed in the following order of priority, to the extent permitted by the Act:

13.5.1 Expenses. To the payment of the costs and expenses of the Liquidation of the Company;

13.5.2 Debts. To the payment of the debts and liabilities of the Company (including any and all fees and loans payable to one or more Members) in the order of priority as provided by law;

13.5.3 Reserves. To establish reserves which the Board of Governors (or the agent or trustee appointed for Liquidation) may deem reasonably necessary for any reasonably foreseeable contingent liabilities or obligations of the Company; and

13.5.4 Capital Accounts. The remaining balance, if any, shall then be distributed to the Members in an amount equal to and in satisfaction of the positive balance of each Member's Capital Account on the date of the Company's termination, after giving effect to all adjustments to all Members' Capital Account balances for all periods as prescribed by this Agreement.

13.6 Final Accounting. Each Member shall be furnished with a statement reviewed by the Company's accountants, which shall set forth the Profits and/or Losses generated upon the sale or exchange of the Company's properties in Liquidation; the allocation of such Profits and Losses among the Members; the Company's proceeds received from the sale or exchange of its properties in Liquidation; any revaluations of Company Property; the assets and liabilities of the Company; and the amount distributed or distributable to each Member as of the date of termination of the Company. Upon compliance with the foregoing distribution plan, the Members shall cease to be such, and the Board of Governors (or the agent or trustee appointed for Liquidation), shall execute and cause to be filed with the Secretary of State of the State of Tennessee a certificate of cancellation of the Company and any and all other documents necessary with respect to the termination and cancellation of the Company.

Article 14

Amendment

No provision of this Agreement may be amended or modified at any time except by a written instrument adopted by the Board of Governors and approved by all of the Members.

Article 15

Miscellaneous Provisions

15.1 Entire Agreement. This Agreement, including the Schedules referred to herein and attached hereto, represents the entire agreement among all the Members and between the Members and the Company. All Schedules referred to herein and attached hereto are incorporated by this reference thereto.

15.2 Rights of Creditors and Third Parties. This Agreement is expressly not intended for the benefit of any creditor of the Company or for any Person other than the Company, the Members and any Assignees. Except and only to the extent provided by applicable statute, no such creditor or third party

shall have any rights under this Agreement or any agreement between the Company and any Member or Assignee with respect to any Capital Contribution or otherwise.

15.3 Notices. All notices and demands required or permitted under this Agreement shall be in writing, and delivered as follows: (i) by actual delivery of the notice into the hands of the party entitled to receive it; (ii) by mailing such notice by registered or certified mail, return receipt requested, in which case the notice shall be deemed to be given three (3) days after the date of its mailing; or (iii) by any overnight carrier, in which case the notice shall be deemed to be given as of the next business day after it is sent. All notices which concern this Agreement shall be addressed as follows:

If to the Company or the Board of Governors: to the Principal Office of the Company.

If to the Members: to the address as shown from time to time on the records of the Company. Any Member may specify a different address, which change shall become effective upon receipt of such notice by the Company.

15.4 Severability. If any provision of this Agreement or the application of such provision to any Person or circumstance shall be held invalid, or prohibited or ineffective under the Act or other applicable law, such provision shall be considered amended to the least degree possible in order to make it effective under the Act or such other law and, in the event the Act or other applicable law is subsequently amended or interpreted in such a way to make valid or no longer prohibited or ineffective any provision of this Agreement that was formerly invalid, prohibited or ineffective, such provision shall be considered to be valid and effective from the effective date of such amendment or interpretation. The remainder of this Agreement, or the application of such provision to Persons or circumstances other than those as to which it is held invalid, prohibited or ineffective shall not be affected.

15.5 Parties Bound. This Agreement shall be binding upon the Members and their respective successors, permitted assigns, heirs, devisees, legal representatives, executors and administrators.

15.6 Applicable Law. The laws of the State of Tennessee shall govern this Agreement, excluding any conflict of laws rules. To the extent permitted by applicable law, the provisions of this Agreement shall override the provisions of the Act to the extent of any inconsistency or contradiction between them.

15.7 Strict Construction. It is the intent of the Members that this Agreement shall be deemed to have been prepared by all of the parties to the end that no Member shall be entitled to the benefit of any favorable interpretation or construction of any term or provision hereof under any rule or law.

15.8 Headings. The headings in this Agreement are inserted for convenience and identification only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this Agreement or any provision.

15.9 Counterpart Execution. This Agreement may be executed in counterparts, each of which shall be deemed an original but together shall constitute but one and the same agreement.

15.10 Pronouns. All pronouns shall be deemed to refer to the masculine, feminine or neuter, singular or plural, as the identity of the Person or Persons may require.

15.11 Effect of Waiver or Consent. A waiver or consent, express or implied, to or of any breach or default by any Person in the performance by that Person of its obligations hereunder or with respect to the Company is not a consent or waiver to or of any other breach or default in the performance by that Person of the same or any other obligations of that Person. Failure on the part of a Person to complain of any act or to declare any Person in default hereunder, irrespective of how long that failure continues, does not constitute a waiver by that Person of its rights with respect to that default.

15.12 Further Assurances. Each Member shall execute and deliver any additional documents and instruments and perform any additional acts that may be necessary or appropriate to effectuate and perform the provisions of this Agreement and the transactions contemplated herein.

15.13 Public Announcements. Except as otherwise required by law, for so long as this Agreement is in effect, no Member shall issue or cause the publication of any press release or other public announcement with respect to the formation, business plans, markets, products, management, or business of the Company without the consent of the Board of Governors.

15.14 Expenses. Each Initial Member shall bear its own costs for all matters involved in the negotiation, execution, and performance of this Agreement, and related transactions unless otherwise specified herein.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first above written.

SHOP AT HOME, INC.

By: _____

Its: _____

THE SCRIPPS SHOP AT HOME HOLDING COMPANY, LLC

By: _____

Its: _____

SAH ACQUISITION CORPORATION

By: _____

Its: _____

Acknowledged and agreed to:

SHOP AT HOME NETWORK, LLC

By: _____

Its: _____

SCHEDULE I

DEFINITIONS

1. Act. The Tennessee Limited Liability Company Act, Title 48, Chapters 201-248 of the Tennessee Code Annotated, and any successor statute, as amended from time to time.

2. Additional Member. A Member other than an Initial Member or a Substitute Member who has acquired a Membership Interest from the Company and who agrees to be bound by the terms and conditions of this Agreement.

3. Adjusted Capital Account. A Member's Capital Account balance, increased by such Member's obligation to restore a deficit balance in its Capital Account, including any deemed obligation pursuant to the penultimate sentences of Treasury Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5), and decreased by the amounts described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5), or (6).

4. Affiliate. When used with reference to a specified Person, any other Person (i) that directly, or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the specified Person, (ii) that is a general partner, director, manager, governor, trustee or principal officer of, or a limited partner owning more than ten percent (10%) of, or that serves in a similar capacity with respect to, the specified Person, or (iii) of which the specified Person is a general partner, director, manager, governor, trustee or principal officer or a limited partner owning more than ten percent (10%) of, or with respect to which the specified Person serves in a similar capacity. For purposes of this definition of Affiliate, "control" means the possession, directly or indirectly, of the power to direct or to cause the direction of the management or policies of the Person in question through the ownership of voting securities or by contract or otherwise.

5. Agreed Value. The fair market value of Contributed Property as agreed to by the contributing Member, the other Members and the Board of Governors, using such reasonable method of valuation as they may adopt.

6. Agreement. This Limited Liability Company Agreement of Shop At Home Network, LLC, including all amendments.

7. Articles of Organization. The Articles of Organization of the Company as properly adopted and as amended from time to time and filed with the Secretary of State of the State of Tennessee.

8. Assignee. A transferee of a Membership Interest who has not been admitted as a Substitute Member.

9. Assigning Member. As defined in Section 11.1.1.

10. Board Actions. As defined in Section 4.2.3.

11. Board of Governors. As described in Section 4.2.1.

12. Book Value. As defined in Section 8.1.3.

13. Capital Account. As defined in Section 8.1.

14. Capital Contribution. The gross amount of investment by a Member or all Members, as the case may be, which may consist of cash, Property, promissory note(s) or any binding obligation(s) to contribute cash or Property.

15. Capital Transaction. Any of the following: (i) a sale, exchange, transfer, assignment, or other disposition of all or a portion of any Company Property (but not including occasional sales in the ordinary course of business of inventory, operating equipment or furniture, fixtures and equipment); (ii) any financing or refinancing of, or with respect to, any Company Property; (iii) any condemnation proceeds or deeding in lieu of condemnation of all or a portion of any Company Property; (iv) a collection in respect of property, hazard, or casualty insurance (but not business interruption insurance) or any damage award except to the extent proceeds are used to repair or replace the assets so damaged or destroyed; or (v) any other transactions which under generally accepted accounting principles, would be capital in nature, and specifically including, but not limited to, the distribution to the Members of Capital Contributions or proceeds of any loans.

16. Change of Control. Any Disposition or series of related or unrelated Dispositions of the Membership Interest of Scripps Holding or its Affiliates which, upon consummation thereof, would result in Scripps Holding and/or its Affiliates (taken as a group) no longer possessing, directly or indirectly, the power to direct or cause the direction of management or policies of the Company through the ownership of Membership Interests.

17. Code. The Internal Revenue Code of 1986 and any successor statute, as amended from time to time.

18. Company. As defined in the preamble.

19. Company Minimum Gain. Such terms have the meaning given to the term “partnership minimum gain” as set forth in Treasury Regulations Sections 1.704-2(b)(2) and 1.704-2(d), and any Member’s share of Company Minimum Gain shall be determined in accordance with Treasury Regulations Section 1.704-2(g)(1).

20. Company Property. All Property acquired by the Company and any improvements thereto, but excluding Contributed Property.

21. Contract Terms. As defined in Section 11.9.

22. Contributed Property. Property or other consideration (excluding services and cash) contributed to the capital of the Company by the Members.

23. Covered Person or Covered Persons. As defined in Section 6.1.1.

24. Depreciation. For each Taxable Year or other period, an amount equal to the depreciation, amortization or other cost recovery deduction, as computed for federal income tax purposes, allowable with respect to an asset of the Company for such Taxable Year or other period. Notwithstanding the foregoing, if the Book Value of a Company asset differs from its adjusted basis for federal income tax purposes at the beginning of such Taxable Year or other period, Depreciation shall be an amount which bears the same ratio at such beginning Book Value as the Depreciation deduction for such Taxable Year or other period bears to such beginning adjusted tax basis.

25. Disabling Conduct. As defined in Section 6.1.1.

26. Discretion. Whenever in this Agreement a Member or the Board of Governors is permitted or required to make a decision in its "discretion" or under a grant of similar authority or latitude, the Member or the Member's representative(s) on the Board of Governors shall be entitled to exercise sole and absolute discretion after considering only such interests and factors as it or he desires, including its or his Member's own interests, and shall have no duty or obligation to give any consideration to any interest of or factors affecting the Company or any other Member.

27. Distributable Cash. As defined in Section 10.1.1.

28. Distribution. A transfer of Property to a Member on account of a Membership Interest as described in Article 10.

29. Disposition (Dispose). Any direct or indirect sale, assignment, transfer, exchange, mortgage, pledge, grant, endorsement, delivery, conveyance, hypothecation, or other transfer, whether absolute, contingent or conditional, or as security or an encumbrance, whether voluntary or involuntary, whether with or without consideration, and whether by operation of law, such as dispositions in a merger or consolidation, pursuant to intestacy, descendance, distribution by succession, bankruptcy, insolvency, receivership, levy, execution or other seizure and sale by legal process.

30. EWS Credit Facility. As defined in Section 7.4.

31. Effective Date. The date of this Agreement set forth in the preamble.

32. Entity. A Person other than a natural individual. Entity includes without limitation corporations (both non-profit and other corporations), partnerships (both limited and general), joint ventures, limited liability companies, trusts and unincorporated associations and organizations of any kind, but the term does not include joint tenancies and tenancies by the entirety.

33. Entity Member. As defined in Section 11.4.

34. Event. As defined in Section 11.7.1.

35. Event Notice. As defined in Section 11.7.2.

36. Event Option. As defined in Section 11.7.2.

37. Fair Market Value. As determined pursuant to Section 11.8.

38. Fiscal Year. The fiscal year of the Company described in Section 3.3.

39. Governor. A member of the Board of Governors.

40. Initial Members. Those persons identified on Schedule II who have executed this Agreement as of the Effective Date.

41. Interim Capital Transaction. A Capital Transaction that does not lead to or is not made in connection with the Liquidation of the Company.

42. Liquidation. As described in Section 13.3.

43. Liquidation Proceeds. The proceeds and assets available for distribution to creditors and Members upon or pursuant to the termination and Liquidation of the Company, including the proceeds available from the sale of all or substantially all of the Company's assets.

44. Losses. As described in the definition of Profits and Losses.

45. Majority of the Members. As defined in Section 5.3.

46. Member Minimum Gain. A Member's share of minimum gain attributable to a Member Nonrecourse Debt within the meaning of Treasury Regulations Section 1.704-2(i)(4) and (5).

47. Member Nonrecourse Debt. Such term has the meaning given to the term "partner nonrecourse debt" as set forth in Treasury Regulations Section 1.704-2(b)(4).

48. Member Nonrecourse Debt Minimum Gain. The amount, with respect to each Member Nonrecourse Debt, determined in the same manner as "partner nonrecourse debt minimum gain" would be determined in accordance with Treasury Regulations Section 1.704-2(i).

49. Member Nonrecourse Deductions. Such term has the meaning given to the term "partner nonrecourse deductions" as set forth in Treasury Regulations Section 1.704-2(i)(2). For any Taxable Year, the amount of Member Nonrecourse Deductions with respect to a Member Nonrecourse Debt shall equal the net increase during the Taxable Year, if any, in the amount of Member Nonrecourse Debt Minimum Gain reduced (but not below zero) by proceeds of the liability that are both attributable to the liability and allocable to an increase in the Member Nonrecourse Debt Minimum Gain.

50. Members. The Initial Members, Substitute Members and Additional Members.

51. Membership Interest. A Member's share or interest in the Profits and Losses of the Company and such Member's rights to Distributions and Liquidation Proceeds, in each case as provided by this Agreement. A Membership Interest does not include a Member's rights (if any) to participate in Company management pursuant to this Agreement.

52. Nonrecourse Debt. Such term has the meaning given the term "nonrecourse debt" as set forth in Treasury Regulations Section 1.704-2(b)(3).

53. Nonrecourse Deductions. Such term has the meaning given the term "nonrecourse deductions" as set forth in Treasury Regulations Section 1.704-2(b)(1). The amount of Nonrecourse Deductions for a Taxable Year equals the excess, if any, of the net increase, if any, in the amount of Company Minimum Gain during that Taxable Year over the aggregate amount of any distributions during that Taxable Year of proceeds of a Nonrecourse Liability that are allocable to an increase in Company Minimum Gain, determined according to the provisions of Treasury Regulations Section 1.704-2(c).

54. Nonrecourse Liability. Such term has the meaning given the term "nonrecourse liability" as set forth in Treasury Regulations Section 1.704-2(b)(3).

55. Offer. As defined in Section 11.3.1.

56. Offering Member. As defined in Section 11.7.2.

57. Operating Profits and Losses. The Company's Profits and Losses other than Profits and Losses from a Capital Transaction.

58. Original Issue Price. means the Original Issue Price as defined in the Articles of Amendment to SATH's Charter relating to the Series D Preferred Shares

59. Percentage Interest. An expression of a Member's Membership Interest as a percentage. The Percentage Interests of the Members are set forth on Schedule II.

60. Person. A natural individual, an estate or any Entity permitted to be a member of a limited liability company under the laws of the State of Tennessee.

61. Principal Office. The principal office of the Company as described in Section 2.9.

62. Profits and Losses. For each Taxable Year or other period an amount equal to the Company's taxable income or loss for such year or period, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

(i) any income of the Company that is exempt from federal income tax shall be added to such taxable income or loss;

(ii) any expenditures of the Company not deductible in computing its taxable income and not properly chargeable to capital account (as described in and within the meaning of Code Section 705(a)(2)(B)) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(i) shall be subtracted from such taxable income or loss;

(iii) if Company property is reflected on the Company's books at other than its adjusted tax basis, then in lieu of depreciation, amortization and other cost recovery deductions taken into account for federal income tax purposes, there shall be taken into account Depreciation for such year or other period, computed in accordance with the Treasury Regulations promulgated pursuant to Code Section 704(b);

(iv) any items that are specially allocated to a Member pursuant to Section 9.4 shall not be taken into account in determining Profits and Losses; and

(v) for purposes of determining Profit or Loss upon the sale or other disposition of any Company asset, then in accordance with the Treasury Regulations promulgated under Code Section 704(b), the value of an asset properly reflected on the Company's books at the time of sale or other disposition shall be substituted for the asset's adjusted tax basis if at the time of sale or disposition there is a variance in such value and adjusted tax basis.

Except as may be otherwise provided in this Agreement, all items that are components of Profits and Losses shall be divided among the Members in the same ratio as they share Profits and Losses.

63. Property. Any property, real or personal, tangible or intangible, including cash and any legal or equitable interest in such property, but excluding services and promises to perform services in the future.

64. Purchaser. As defined in Section 11.5.

65. Regulatory Allocations. As defined in Section 9.5.

66. Reserved Matters. As defined in Section 4.2.2.

67. Sale Notice. As defined in Section 11.5.

68. SATH. As defined in the preamble.

69. SATH Governors. As defined in Section 4.2.1.

70. Scripps. As defined in the preamble.

71. Scripps Holding. As defined in the preamble.

72. Scripps Governors. As defined in Section 4.2.1.

73. Series D Preferred Shares. As defined in Section 11.3.4.

74. Shop At Home Network. As defined in Section 2.4.

75. Sub. As defined in the preamble.

76. Substitute Member. Any Person not a Member of the Company (prior to the transfer of a Membership Interest to such Person) to whom a Membership Interest in the Company has been transferred and who has been admitted to the Company as a Member pursuant to and in accordance with the provisions of Section 12.1.

77. Tax Distributions. The distributions required by Section 10.1.2.

78. Taxable Year. The taxable year of the Company as determined pursuant to Section 706 of the Code.

79. Transferee. A purchaser, transferee, assignee (other than collateral assignees), or any other Person who takes, in accordance with the terms of this Agreement, a Membership Interest in the Company, and who thereby becomes bound by the terms and conditions of this Agreement, regardless of whether such Person becomes a Substitute Member.

80. Treasury Regulations. Except where the context indicates otherwise, the permanent, temporary, proposed or proposed and temporary regulations of the Department of the Treasury promulgated under the Code as such regulations may be lawfully changed from time to time.

81. Unreturned Capital Contribution. The excess, if any, of a Member's aggregate Capital Contributions made after the date of this Agreement, over the aggregate cash distributed to the Member after the date of this Agreement, except for Tax Distributions under Section 10.1.2.

SCHEDULE II

SHOP AT HOME NETWORK, LLC

Members, Percentage Interests and
Capital Contributions (As of _____, 2002)

Name and Address	Percentage Interest	Capital Contribution
Shop At Home, Inc.	11.5%	$
The Scripps Shop At Home Holding Company	87.5%	$
SAH Acquisition Corporation	1%	$

EXHIBIT 8.4(e)

SHAREHOLDERS AGREEMENT

THIS AGREEMENT, dated as of , 2002 (the "Effective Date"), is among The Scripps Shop At Home Holding Company fka SAH Holdings, Inc., an Ohio corporation (the "Company"), Shop At Home, Inc., a Tennessee corporation ("SATH"), and Scripps Networks, Inc., a Delaware corporation ("Scripps").

R E C I T A L S :

A. Pursuant to a Share Purchase Agreement (the "Purchase Agreement") dated as of August 14, 2002 between Scripps and SATH, Scripps has agreed to purchase from SATH, and SATH has agreed to sell to Scripps, 800 common shares, without par value, of the Company ("Shares").

B. Upon consummation of the transactions contemplated by the Purchase Agreement, SATH will be the record and beneficial owner of 200 Shares and Scripps will be the record and beneficial owner of 800 Shares.

C. It is a condition to the obligations of Scripps and SATH under the Purchase Agreement that the parties execute this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Definitions.

"Affiliate" means, with respect to any Person, any other Person (i) that directly, or indirectly through one or more intermediaries, controls or is controlled by or is under common control with such Person, (ii) that is a general partner, director, manager, trustee or principal officer of, or a limited partner owning more than 10% of , or that serves in a similar capacity with respect to, such Person, or (iii) of which such Person is a general partner, director, manager, trustee or principal officer or a limited partner owning more than 10% of, or with respect to which such Person serves in a similar capacity. For purposes of this definition, "control" means the possession, directly or indirectly, of the power to direct or to cause the direction of the management or policies of the Person in question through the ownership of voting securities or by contract or otherwise.

"Board" means the board of directors of the Company.

"Change of Control" means any Disposition or series of related or unrelated Dispositions of the Shares of Scripps or its Affiliates which, upon consummation thereof, would result in Scripps or its Affiliates (taken as a group) no longer possessing, directly or indirectly, the power to direct or cause the direction of management or policies of the Company through the ownership of Shares.

"Code" means the Internal Revenue Code of 1986 and any successor statute, as amended from time to time.

"Dispose" and "Disposition" mean any direct or indirect sale, assignment, transfer, exchange, mortgage, pledge, grant, endorsement, delivery, conveyance, hypothecation, or other transfer, whether absolute, contingent or conditional, or as security or an encumbrance, whether voluntary or involuntary, whether with or without consideration, and whether by operation of law, such as dispositions in a merger or consolidation, pursuant to intestacy, descendance, distribution by succession, bankruptcy, insolvency, receivership, levy, execution or other seizure or sale by legal process.

"LLC" means Shop At Home Network, LLC, a Tennessee limited liability company, of which SATH owns 11.5%, SAH Acquisition Corporation, a Tennessee corporation and wholly owned subsidiary of SATH, owns 1% and the Company owns 87.5% of the outstanding membership interests.

"Original Issue Price" means the Original Issue Price as defined in the Articles of Amendment to SATH's Charter relating to the Series D Preferred Shares.

"Person" means any natural person, partnership, corporation, association, limited liability company, joint stock company, trust, joint venture, unincorporated organization or governmental entity or any department, agency or political subdivision thereof.

"Purchase Agreement" is defined in the Recitals to this Agreement.

"Securities Act" means the Securities Act of 1933, as amended from time to time.

"Series D Preferred Shares" means any shares of SATH's Series D Senior Redeemable Preferred Stock held by Scripps or an Affiliate of Scripps.

"Shareholders" means Scripps and SATH and their permitted assignees and transferees.

2. Board of Directors. So long as SATH holds at least 15% of the outstanding shares of the Company, each Shareholder shall vote the Shares over which such Shareholder has voting control, and shall take all other necessary or desirable actions within such Shareholder's control (whether in his or its capacity as a Shareholder, director, member of a Board committee or officer of the Company or otherwise), and the Company shall take all necessary and desirable actions within its control, in order to cause the Board to be comprised of five members, four to be appointed by Scripps and one to be appointed by SATH. Either Scripps or SATH may remove one or more of its appointees upon written notice to the Company and the other. Removals and new appointments will be mandatory at any time upon which the relative pro rata proportions of Share ownership of the Shareholders shift pursuant to this Agreement, so that the relative voting power on the Board complies at all times with the intent of this Section. The Company shall also allow two representative designated by SATH to attend all meetings of the Board in a nonvoting capacity.

In making determinations with respect to the LLC (whether on behalf of Scripps Holding as a Member or otherwise), neither Scripps nor the directors of the Company appointed by Scripps will in any way be obligated to cause the continuation of the business of the Network (as defined in the LLC's Amended and Restated Operating Agreement) and Scripps may cause the discontinuation of the business of the Network and the dissolution of the LLC, if, in its sole discretion, such business is no longer feasible or desirable or otherwise in the interests of Scripps.

3. Restrictions on Transfer of Shares.

(a) Transfer of Shares. Except as specifically provided in this Agreement, no Shareholder may directly or indirectly Dispose of all or any portion of the Shares or other equity interests in the Company, whether now owned or hereafter acquired, without first complying with the terms and conditions of this Section 3. Notwithstanding the foregoing, in no event will SATH be permitted to pledge, hypothecate or encumber its Shares without the written consent of Scripps to be provided in Scripps's sole discretion; provided, however that nothing in this Section 3 will prohibit the pledge of Shares by SATH to Scripps or an Affiliate of Scripps as security for any indebtedness for borrowed money. Without limiting the generality of the foregoing, no Disposition will be permitted, even if permitted by any other provision of this Section 3, unless each of the following conditions are satisfied in the judgment of, or waived in writing by, the Board in its discretion:

(i) The Shareholder engaging or attempting to engage in such Disposition (the "Assigning Shareholder") complies with all of the applicable provisions of this Section 3;

(ii) The Person engaging or attempting to engage in such Disposition as the assignee, purchaser or other transferee of Shares (the "Transferee") agrees in writing to assume all of the obligations of the Assigning Shareholder with respect to such Shares (including the obligations imposed under this Agreement and specifically this Section 3) as a condition to any Disposition and becomes a party to this Agreement;

(iii) The Assigning Shareholder and the Transferee each execute, acknowledge and deliver to the Company such instruments of transfer and assignment with respect to such Disposition and such other instruments as may be reasonably deemed necessary by, and in form and substance reasonably satisfactory to, the Board.

(iv) Either (A) the Disposed interests will be registered under the Securities Act and any applicable state securities laws, or (B) the Company shall have received, at the expense of the parties to the Disposition, an opinion of counsel for the Company (or counsel acceptable to counsel of the Company) to the effect that such Disposition is exempt from registration under the Securities Act and is in compliance with all applicable federal and state securities laws and regulations; provided that, if the Board waives such opinion requirements, such waiver will not constitute a

waiver of any subsequent Disposition of such interest or the Disposition of any other interest;

(v) The Disposition does not cause any violation of or an event of default under, or result in acceleration of any indebtedness under, any note, mortgage, loan, or similar instrument or document to which the Company is a party;

(vi) The Assigning Shareholder and Transferee furnish the Company with the Transferee's taxpayer identification number, sufficient information to determine the Transferee's initial tax basis in the interest Disposed, and any other information necessary to permit the Company to file all required federal and state tax returns and other legally required information statements or returns; and

(vii) All costs of the Disposition incurred by the Company are reimbursed by the Assigning Member or the Transferee to the Company.

(b) Void Dispositions. Any attempted Disposition of Shares, or any part thereof, not in compliance with this Section 3 will be null and void ab initio as against the Company and all other Persons, the Company's rights under Section 3(g) will apply, and the Assigning Member(s) will be liable to the Company and the other Members for all damages, costs and expenses the other Members may sustain or incur as a result of such attempted Disposition.

(c) Scripps's Right of First Refusal.

(i) Notice of Intended Disposition. If SATH desires to accept a bona fide non-Affiliated third party offer for the Disposition of all (but not less than all) of its Shares, whether in the public or private markets (including an initial public offering), SATH shall promptly deliver to Scripps a written offer (the "Offer") to sell such Shares to Scripps on terms and conditions not less favorable to Scripps than those under which it proposes to Dispose of such Shares to such third party. The Offer shall disclose the identity of the third party offeror, the agreed terms of the proposed Disposition (including a date certain on which the Disposition will be abandoned and terminated if not then consummated), and any other material facts relating to the proposed Disposition. SATH shall also provide satisfactory proof that the Disposition of the Shares to such third party offeror would not be in contravention of the provisions set forth in Section 3(a).

(ii) Exercise of Right. Within 30 days after receipt of the Offer, Scripps may give written notice to SATH of its intent to purchase all of SATH's Shares on substantially the same terms and conditions as set forth in the Offer. Scripps will have the right to transfer its right to purchase the Shares to any of its Affiliates.

(iii) Non-Exercise of Right. If Scripps does not exercise its rights under this Section 3(c), SATH may thereafter Dispose of all (but not less than all) of its Shares to the third party offeror identified in the Offer upon the terms and conditions specified in the Offer; provided that any such Disposition must not be effected in contravention of the provisions of Section 3(a) and the terms of Section 3 must be recognized, including but not limited to Scripps's rights under Section 3(e), and such Disposition must be consummated or abandoned and terminated by a date certain set forth in the Offer but in any event not later than 90 days after the Offer has been declined by Scripps or the time for exercise has lapsed. If SATH does not effect such Disposition of such Shares within the specified period, this Section 3 will continue to be applicable to any subsequent attempted Disposition of SATH's Shares.

(iv) SATH Debt. In the event of a sale of SATH's Shares under this Section 3(c) (whether or not Scripps is the purchaser), SATH shall use the proceeds of such sale (less expenses related thereto) to first, redeem any Series D Preferred Shares held by Scripps or its Affiliates at the Original Issue Price thereof, plus accrued and unpaid dividends thereon, and second, pay to Scripps or its Affiliates principal and interest owed by SATH to Scripps or its Affiliates under any indebtedness for borrowed money. If Scripps is the purchaser hereunder, Scripps will have the right to offset, on a dollar for dollar basis, from the purchase price payable to SATH hereunder an amount equal to such outstanding indebtedness, redemption price and dividends.

(d) Transfers to Affiliates. Subject only to compliance with Section 3(a), a Shareholder that is an entity may Dispose of all or any portion of its Shares to any member of an affiliated group of corporations within the meaning of Code Section 1504 that includes such Shareholder.

(e) Scripps's Right to Sell; SATH's Tag Along Right; Scripps's Drag Along Right. Subject only to compliance with Section 3(a) and this Section 3(e), Scripps and its successors and assigns may Dispose of any or all of their Shares to any Person (a "Purchaser") without notice to any other Shareholder and without any further restriction. As a condition to the effectiveness of any such Disposition, if Scripps intends to Dispose of Shares and such Disposition would result in a Change of Control of the Company, SATH will have the right to require, as a condition to such Disposition, that the Purchaser purchase from SATH all of SATH's Shares. Scripps shall promptly deliver to SATH written notice of the proposed Disposition (the "Sale Notice"), including the terms and conditions of the Purchaser's offer, including the price to be paid to Scripps, and the closing and termination dates, the identity of the Purchaser and any other material facts or terms and conditions. SATH shall notify Scripps of its intention to participate in such sale as soon as practicable but not later than 30 days after receipt of the Sale Notice, which notice of intention to participate together with the Sale Notice, will be deemed to constitute a valid, legally binding and enforceable agreement for the Disposition of all of SATH's Shares. Scripps and SATH shall sell to the Purchaser all of the Shares in the Company proposed to be Disposed by them at not less than the price originally offered by the

Purchaser, and upon other terms and conditions, if any, not more favorable to the Purchaser than those originally offered. Scripps shall use its reasonable best efforts to obtain the agreement of the Purchaser to the participation of SATH in the contemplated Disposition, and shall not Dispose of any Shares to such Purchaser if such Disposition would result in a Change of Control of the Company and such Purchaser declines to purchase all of SATH's Shares pursuant to the terms of this Section. If (i) SATH elects not to, or otherwise fails to notify Scripps of its decision to or not to, participate in the sale under the Sale Notice and (ii) the sale under the Notice of Sale would result in a Change of Control of the Company, Scripps will have the right, but not the obligation, to require SATH to sell all of its Shares pursuant to the Sale Notice and the foregoing provisions of this Section by written notice of such requirement given within 45 days after its delivery of the Sale Notice to SATH. In the event of a sale of SATH's Shares under this Section 3(e), SATH shall use the proceeds of such sale (less expenses related thereto) to first, redeem any Series D Preferred Shares held by Scripps or its Affiliates at the Original Issue Price thereof, plus accrued and unpaid dividends thereon, and second, pay to Scripps or its Affiliates principal and interest owed by SATH to Scripps or its Affiliates under any indebtedness for borrowed money. If Scripps is the purchaser hereunder, Scripps will have the right to offset, on a dollar for dollar basis, from the purchase price payable to SATH hereunder an amount equal to such outstanding indebtedness, redemption price and dividends.

(f) Put and Call Rights.

(i) SATH's Put Right. At any time after the second anniversary of the Effective Date and prior to the fifth anniversary of the Effective Date, SATH will have the right (the "Put Right") to require Scripps to purchase all but not less than all of the Shares of SATH on the Contract Terms (as defined in Section 3(i)) at a price equal to the Fair Market Value thereof (as determined under Section 3(h)). The Fair Market Value will be determined as of the date on which SATH gives written notice to Scripps of its intent to exercise such right. The closing of a Disposition shall take place not later than 30 days after the Fair Market Value is finally determined. Notwithstanding any permitted Disposition of SATH's interest in the Company, the Put Right may not be Disposed to any Person other than a Transferee pursuant to Section 3(d). Notwithstanding the foregoing provisions of this Section 3(f)(i), the Put Right may not be exercised if a Sale Notice has been given pursuant to Section 3(e) and has not been rescinded or otherwise terminated. As a condition to the closing of the transactions contemplated by exercise of the Put Right, SATH shall use the proceeds of such sale to redeem any Series D Preferred Shares held by Scripps or its Affiliates at the Original Issue Price thereof, plus accrued and unpaid dividends thereon, and the put price will be reduced, on a dollar for dollar basis, first, by such redemption price, including accrued and unpaid dividends thereon, and second, by the amount of principal and interest owed by SATH to Scripps or its Affiliates under any indebtedness for borrowed money.

(ii) SATH's Put Right Upon Scripps Holdings' Disposition of LLC Membership Interests. If Scripps Holding Disposes of or attempts to Dispose of any membership interests in the LLC such that such Disposition constitutes a Change in Control (as defined in the LLC's Operating Agreement), then SATH may exercise its Put Right in Section 3(f)(i) notwithstanding any limitations with respect to timing set forth in the first clause of such Section.

(iii) Scripps's Call Right. Except to the extent such right may be exercised earlier pursuant to Section 3(f)(iv), 3(f)(v) or 3(f)(vi), at any time upon and after the fifth anniversary of the Effective Date, Scripps will have the right (the "Call Right") to require SATH to sell all and not less than all of SATH's Shares to Scripps (or its assignees) on the Contract Terms at a price equal to the Fair Market Value thereof. The Fair Market Value will be determined as of the date on which Scripps gives written notice to SATH of its intent to exercise such right. The closing of such Disposition will take place not later than 30 days after the Fair Market Value is so determined. Notwithstanding the foregoing provisions of this Section 3(f)(iii), the Call Right may not be exercised if a Sale Notice has been given pursuant to Section 3(e) and has not been rescinded or otherwise terminated. As a condition to the closing of the transactions contemplated by exercise of the Call Right, SATH shall use the proceeds of such sale to redeem any Series D Preferred Shares held by Scripps or its Affiliates at the Original Issue Price thereof, plus accrued and unpaid dividends thereon, and the call price will be reduced, on a dollar for dollar basis, first, by such redemption price, including accrued and unpaid dividends thereon, and second, by the amount of principal and interest owed by SATH to Scripps or its Affiliates under any indebtedness for borrowed money.

(iv) Scripps Call Right Upon SATH's Disposition of LLC Membership Interests. If SATH or SAH Acquisition Corporation Disposes of or attempts to Dispose of its membership interest in the LLC, or any portion thereof, under any circumstances, then Scripps may exercise its Call Right in Section 3(f)(iii) notwithstanding any limitations with respect to timing set forth in the first clause of such Section.

(v) Scripps Call Right Upon Change in Control of SATH. If (A) the board of directors or shareholders of SATH approve a merger or consolidation that results in the shareholders of SATH immediately prior to the transaction giving rise to the consolidation or merger owning less than 50% of the total combined voting power of all classes of stock entitled to vote of the surviving entity immediately after the consummation of the merger or consolidation, (B) the board of directors or shareholders of SATH approve the sale of substantially all of the assets of SATH or the liquidation or dissolution of SATH, (C) any person or other entity (other than SATH)

purchases any shares (or securities convertible into shares) pursuant to a tender or exchange offer without the prior consent of the board of directors or becomes the beneficial owner of securities of SATH representing 25% or more of the voting power of SATH's outstanding securities, (D) during any two-year period, individuals who at the beginning of such period constitute the entire board of directors of SATH cease to constitute a majority of the board of directors of SATH, unless the election or the nomination for election of each new director is approved by at least two-thirds of the directors then still in office who were directors at the beginning of that period or (E) any third party acquires the power to direct or cause the direction of management or policies of SATH through the ownership of securities, by contract or otherwise, then Scripps may exercise its Call Right in Section 3(f)(iii) notwithstanding any limitations with respect to timing set forth in the first clause of such Section.

(vi) Scripps Call Right Upon Default. If SATH is in default under this Agreement or any other agreement between it and Scripps or an Affiliate of Scripps (including without limitation the Amendment to SATH's Charter relating to the Series D Preferred Shares), then Scripps may exercise its Call Right in Section 3(f)(iii) notwithstanding any limitations with respect to timing set forth in the first clause of such Section.

(vii) Limitation on Exercise Based on Exercise of Put/Call Relating to Shop At Home Network. Notwithstanding anything to the contrary in the foregoing Section 3(f), neither the Put Right nor the Call Right may be exercised unless the Put Right or the Call Right, respectively, set forth in Section 11.6 of the LLC's Operating Agreement is exercised by SATH or the Company, respectively.

(g) Certain Buyout Events.

(i) Definition of Event. For purposes of this Section 3(g), the term "Event" means the occurrence of any of the following events or circumstances with respect to any Shareholder during any period of ownership of any Shares by such Shareholder or with respect to any Shares subject to this Agreement:

(A) such Shareholder becomes or is determined to be bankrupt or insolvent;

(B) such Shareholder institutes or has instituted against it any proceedings of any kind under any provision of any applicable bankruptcy or insolvency law seeking any readjustment, arrangement, composition, postponement or reduction of debts, liabilities or obligations (in the case of any involuntary proceeding, which is not removed or dismissed within 90 days);

(C) such Shareholder makes an assignment for the benefit of its creditors;

(D) such Shareholder is required or deemed to have Disposed of any interest in any of its Shares by operation of law (other than a Disposition to the Company);

(E) any Shares of such Shareholder are attached by, levied upon by, or becomes subject to judicial or other legal process and such proceeding is not removed, discharged, dismissed or bonded within 90 days; or

(F) any Shares of such Shareholder are the subject of a Disposition or an attempted Disposition in any way (including a sale ordered by a court or a Disposition required or deemed to have occurred by operation of law, other than a Disposition to the Company) in breach of this Agreement.

(ii) Purchase Option of the Company. Upon the occurrence of an Event, the Shareholder subject to such Event or its legal representative, if applicable (the "Offering Shareholder"), shall notify the Company and all Shareholders of the Event within five days of its occurrence (the "Event Notice") and, thereupon, the Company will have the right, but not the obligation, to purchase all, but not less than all, of the Shares owned or held beneficially by the Offering Shareholder at the time of such Event at the price equal to its Fair Market Value as of the date that is the calendar month-end immediately preceding such Event and on and in accordance with the Contract Terms (the "Event Option"). Within five days after the determination of the Fair Market Value in accordance with Section 3(h), the Company shall notify the Offering Shareholder and the other Shareholders whether it intends to exercise the Event Option and upon any such exercise, the closing thereof will be made on and in accordance with the Contract Terms. Failure of a party to give or receive an Event Notice will not prejudice the rights of the other parties under this Section 3(g).

(iii) Right of Assignment. At Scripps's option, the Company's Event Option may be assigned to and assumed by Scripps or an Affiliate of Scripps (if it is not the Offering Shareholder) or, if Scripps does not wish to have the Company's Event Option assigned to it or an Affiliate of Scripps, by any other Shareholder or Shareholders (or their designees) other than the Offering Shareholder, in any case at the option of the Board in its discretion without any approval by the Shareholders. If any Shareholders other than the Offering Shareholder are purchasers and such other Shareholders are unable to agree upon the number of Shares to be acquired by each of them, each purchasing Shareholder will be entitled to purchase a portion of such Shares in the same proportion that the number of Shares held by such Shareholder bears to the total outstanding Shares held by all such Shareholders.

(viii) Scripps Debt. In the event of a sale of SATH's Shares under this Section 3(g) (whether or not Scripps is the purchaser), SATH shall use the proceeds of such sale (less expenses related thereto) to first, redeem any Series D Preferred Shares held by Scripps or its Affiliates at the Original Issue Price thereof, plus accrued and unpaid dividends thereon, and second, pay to Scripps or its Affiliates principal and interest owed by SATH to Scripps or its Affiliates under any indebtedness for borrowed money. If Scripps is the purchaser hereunder, Scripps will have the right to offset, on a dollar for dollar basis, from the purchase price payable to SATH hereunder an amount equal to such outstanding indebtedness, redemption price and dividends.

(ix) Continuing Effect After Insolvency. The failure of the Company or the other Shareholders, as the case may be, to exercise the Event Option, or to consummate the Event Option if exercised, will not affect their respective rights to purchase the same Shares under and in accordance with any other applicable provisions of this Agreement in the event of a proposed Disposition thereof to any receiver, petitioner, assignee, transferee or other Person attempting to obtain an interest in such Shares by a proposed Disposition or by operation of law. In addition, with respect to any Shares subject to an Event Option which are not purchased by the Company or by any other Shareholder, in the absence of any order to the contrary with respect to such Shares by any court or agency having jurisdiction under federal or state law with respect to the Event, and to the extent not in violation of applicable law, such Shares will be and remain subject to the provisions and restrictions contained in this Agreement regardless of the identity of the transferee and such transferee will be deemed to be bound by the terms and provisions of this Agreement as an Assignee.

(h) Determination of Fair Market Value. If the purchase price for any transaction involving any Shares purchased and sold on and in accordance with the Contract Terms or otherwise is to be the Fair Market Value thereof, the determination of such Fair Market Value as at the applicable valuation date will be made as set forth in this Section 3(h). Within 10

days after it is determined that the Fair Market Value process must be initiated, each of Scripps and SATH shall choose a nationally recognized reputable investment bank (which investment bank must commit to deliver its determination within 60 days) to determine the Fair Market Value and the Fair Market Value will be the average of the two determinations so made. Notwithstanding anything to the contrary in the foregoing, however, if the two determinations differ by more than 10%, then the aforesaid investment banks shall select a third nationally recognized reputable investment bank (which investment bank must commit to deliver its determination within 60 days) to determine the Fair Market Value; and upon receipt of the third determination, the Fair Market Value will be the average of the two determinations closest in amount to each other. Scripps and SATH will share equally in the cost of the investment banks. The Board and the purchaser(s) and seller(s) in the transaction shall cooperate with the investment banks and provide them (on a confidential basis) with all information regarding the Company and their respective Shares (directly or indirectly owned) as they reasonably request. The Fair Market Value will be determined without regard to any minority interest, lack of marketability or other discounts for any Shares and without regard to any premiums for control and will be determined without regard for any increase in membership interest by the Company in the LLC due to a concurrent exercise of any rights and remedies contained in the LLC's Operating Agreement.

(i) Contract Terms. For purposes of this Agreement, the "Contract Terms" are as follows:

(i) Payment Terms. The purchase price to be paid in any transaction subject to the Contract Terms will be due and payable in cash in full at the closing of the transaction held in accordance with Section 3(i)(ii), except that the purchase price of any such Shares will be reduced, at the Company's election where the Company is the purchaser, by an amount equal to the unpaid balance and any accrued but unpaid interest owed to the Company by the holder of such Shares, and such indebtedness (to the extent of the reduction in purchase price) will be deemed paid to the Company.

(ii) Closing. Any Disposition of Shares made pursuant to the Contract Terms must be closed as specified in the applicable Section of this Agreement or, if not so specified, within 60 days after the date on which the parties involved become unconditionally bound under this Agreement to effect such Disposition or at such other time as such parties may otherwise agree.

(iii) Documents. Upon the delivery at the closing by the Transferee of the purchase price, in cash, to be delivered in payment for such Shares Disposed of pursuant to the Contract Terms, the Assigning Shareholder shall execute and deliver to the Transferee certificates representing the Shares Disposed of and all such assignments and other instruments which may reasonably be required to evidence and cause such Disposition to be a valid, binding and legally enforceable Disposition of such Shares to the Transferee. The Assigning Shareholder shall also execute and deliver to the Transferee a certificate, dated the closing date of such Disposition,

containing a representation and warranty that on such date the Assigning Shareholder is the holder of record and sole beneficial owner of the Shares so Disposed of, has the full and unrestricted right to sell, assign, transfer and deliver such Shares to such Transferee, that the Disposition of such Shares to the Transferee will not conflict with or constitute a breach of the Company's Articles of Incorporation, Code of Regulations, or this Agreement, and that the Assigning Shareholder is transferring to such Transferee good and marketable title to the Shares so transferred, free from all liens, security interests, pledges, encumbrances, equities, charges, claims, voting trusts or restrictions whatsoever, other than those restrictions contained in or arising under this Agreement or, if applicable, the Articles of Incorporation (and any restrictions arising by reason of federal or state securities laws).

4. Affiliate Transactions. SATH acknowledges that the Company may enter into any agreement with any Person that is an Affiliate of Scripps, without the prior approval of the Shareholders provided that any such agreement contains substantially such terms and conditions as would be contained in a similar agreement entered into by the Company with a comparable, unaffiliated third party.

5. Outside Businesses or Opportunities. Except as set forth in the letter agreement dated as of the date hereof between SATH and Scripps relating to SATH's right to participate in future acquisitions by Scripps of a home shopping network, Scripps or any Affiliate thereof may engage in or possess an interest in any business venture of any nature or description, including, without limitation, any business venture for the exploitation of home shopping programming, content, merchandising, licensing and products and services and all rights in connection therewith in all media and formats now or hereafter devised, including without limitation, magazines, radio programming, conventions and trade shows, independently or with others, which business venture may be the same as, similar to or dissimilar to the business of the Company or the LLC, and may use the words "Shop At Home"; and neither the Company or the LLC, nor any Shareholder of the Company or any member of the LLC, will have any rights by virtue of this Agreement or otherwise in and to such independent ventures or the income or profits derived therefrom, and the pursuit by Scripps or any such Affiliate of any such venture, even if competitive with the business of the Company or the LLC, will not be deemed wrongful or improper. Neither Scripps nor any Affiliate thereof will be obligated to present any particular investment opportunity to the Company or the LLC even if such opportunity is of a character which, if presented to the Company or the LLC, could be taken by the Company or the LLC or which, absent this provision, would have to be presented to the Company or the LLC, and Scripps or any such Affiliate will have the right to take for its own account (individually or as a partner or fiduciary) or to recommend to others any such particular investment opportunity.

6. SATH Participation in Additional Equity Issuances. If the Company issues any additional equity securities to Scripps or an Affiliate of Scripps, then SATH will have the right, for a period of six months from Scripps's (or such Affiliate's) election to fund any equity purchase, to purchase up to a number of such securities equal to (a) the number of such securities issued to Scripps or such Affiliate, multiplied by (b) a fraction, the numerator of which is the number of equity securities held by SATH on a fully diluted basis immediately prior to the

issuance to Scripps or such Affiliate and the denominator of which is the number of equity securities held by Scripps and its Affiliates on a fully diluted basis immediately prior to the issuance to Scripps or such Affiliate. Notwithstanding and without limiting the foregoing, SATH will not have any preemptive right to purchase any securities issued to any third party other than Scripps or an Affiliate of Scripps.

7. Legend. Each certificate evidencing Shares and each certificate issued in exchange for or upon the transfer of any Shares shall be stamped or otherwise imprinted with a legend in substantially the following form:

> "THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A SHAREHOLDERS AGREEMENT DATED AS OF , 2002, AMONG THE ISSUER OF SUCH SECURITIES (THE "COMPANY") AND THE COMPANY'S SHAREHOLDERS. A COPY OF SUCH AGREEMENT WILL BE FURNISHED WITHOUT CHARGE BY THE COMPANY TO THE HOLDER HEREOF WITHIN FIVE DAYS OF WRITTEN REQUEST."

8. Miscellaneous.

(a) Amendment and Waiver. Except as otherwise provided in this Agreement, no modification, amendment or waiver of any provision of this Agreement will be effective unless such modification, amendment or waiver is approved in writing by the Company and the Shareholders. The failure of any party to enforce any of the provisions of this Agreement will in no way be construed as a waiver of such provisions and will not affect the right of such party thereafter to enforce each and every provision of this Agreement in accordance with its terms.

(b) Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained in this Agreement.

(c) Entire Agreement. Except as otherwise expressly set forth in this Agreement, this Agreement embodies the complete agreement and understanding among the parties with respect to the subject matter of this Agreement and supersedes and preempts any prior understandings, agreements or representations by or among the parties, written or oral, that may have related to the subject matter of this Agreement in any way.

(d) Successors and Assigns. Except as otherwise provided in this Agreement, this Agreement will bind and inure to the benefit of and be enforceable by the Company and its successors and assigns, and the Stockholders and their respective representatives, successors and assigns, so long as they hold Shares.

(e) Counterparts. This Agreement may be executed in separate counterparts, each of which, when executed, will be an original and all of which taken together will constitute one and the same agreement.

(f) Remedies. Each Shareholder acknowledges and agrees that, if that Shareholder fails to perform that Shareholder's obligations under this Agreement, the remedy at law available to any party aggrieved by such failure would be inadequate and that, in addition to any other rights or remedies such aggrieved party may have at law or in equity, the aggrieved party will be entitled to specific performance of the provisions of this Agreement or an injunction against any breach of this Agreement, without the necessity of proof of actual damage. Accordingly, with respect to any action or proceeding brought by such aggrieved party to enforce the provisions of this Agreement against such Shareholder, each such Shareholder hereby waives the claim or defense that such aggrieved party now has or hereafter has an adequate remedy at law and such Shareholder hereby agrees not to assert such claim or defense in any such action or proceeding. This provision will not be construed as precluding such aggrieved party from exercising any other rights, privileges or remedies to which such party may be entitled, all of which rights, remedies and privileges will be deemed cumulative and none of which will be deemed exclusive. Except as otherwise expressly provided in this Agreement or otherwise agreed to in writing executed by such aggrieved party, no course of dealing on the part of, nor any omission or delay by, such aggrieved party will operate as a waiver of any such right, remedy or privilege, nor will any single or partial exercise or waiver of any such right, privilege or remedy preclude any other or further exercise thereof or of any other right, privilege or remedy available to such aggrieved party.

(g) Indemnification. Each Shareholder shall defend, indemnify and hold harmless all other Shareholders from and against any and all liabilities, obligations, claims, costs, damages and expenses, including without limitation reasonable attorneys' fees and additional tax liabilities and interest and penalties, incurred by the other Shareholders as a result of the failure of performance of, or the breach by, the indemnifying Shareholder of any of that Shareholder's obligations contained in this Agreement.

(h) Power of Attorney. Each Shareholder hereby irrevocably appoints the Company as that Shareholder's attorney-in-fact for the purpose of executing an addendum Agreement on behalf of the Shareholders, from time to time, for the purpose of binding any Tranferees to the conditions and obligations of this Agreement.

(i) Notices. Any notice provided for in this Agreement must be in writing and either personally delivered or mailed first-class mail (postage prepaid) or sent by reputable overnight courier service (charges prepaid) to the recipient at the address indicated on the records of the Company and to any subsequent holder of Shares subject to this Agreement at such address as indicated by the Company's records, or at such address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party. Notices will be deemed to have been given when delivered personally, three days after deposit in the U.S. mail and one day after deposit with a reputable overnight courier service.

(j) Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of Ohio, without regard to conflicts of law principles.

(k) Conflict. If, and to the extent, any terms or provisions of the Company's Articles of Incorporation or Code of Regulations are contrary to the terms of this Agreement, the terms of this Agreement will control.

[Signature pages follow.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

THE SCRIPPS SHOP AT HOME HOLDING COMPANY

By: _____

Name:
Title:

SCRIPPS NETWORKS, INC.

By: _____

Name:
Title:

SHOP AT HOME, INC.

By: _____

Name:
Title:

The E.W. Scripps Company hereby guarantees the obligations of Scripps under the foregoing Shareholder Agreement.

THE E.W. SCRIPPS COMPANY

By _____

Title _____

EXHIBIT 8.4(f)

Shop At Home Network, LLC
5388 Hickory Hollow Parkway
Nashville, Tennessee 37013

, 2002

Shop at Home, Inc.
5388 Hickory Hollow Parkway
Nashville, Tennessee 37013

Ladies and Gentlemen:

The following shall comprise the agreement (the "Agreement") among (formerly known as Shop at Home, Inc.) and its subsidiaries listed on Exhibit A, attached hereto and made part hereof (collectively, "SATH"), and Shop At Home Network, LLC (the "Company") for the affiliation of SATH's television broadcasting stations set forth on Exhibit A (each respective station and the holder of the FCC license therefor being referred to herein as a "Station" and collectively as, the "Stations"), with the Company's Shop at Home Network (the "Network") and shall supersede and replace all prior agreements between SATH and the Company or its predecessor with respect to the Network, which agreements are hereby terminated and of no further force or effect.

1. Term and Termination.

(a) This Agreement shall become effective at a.m., central time on , 2002 (the "Effective Date") and, unless sooner terminated as provided herein, shall remain in effect until a.m., central time on , 2005 (the "Term").

(b) This Agreement may be terminated by SATH with respect to any Station, provided that such termination shall not be effective (i) prior to the day following the last day of the fifteenth (15th) month following the Effective Date; (ii) unless SATH provides the Company written notice of such termination no later than six (6) months prior to the date of such termination; and (iii) so long as SATH does not enter into any other affiliation or limited marketing agreement with any television home shopping network.

(c) Provided SATH is not in breach of its obligations under this Agreement, SATH may terminate this Agreement with respect to any Station upon written notice to the Company if the Company breaches any of its obligations under this Agreement with respect to such Station and the Company fails within thirty (30) days after its receipt of notice of such breach from SATH to cure such breach.

(d) The Company may terminate this Agreement as to all Stations without liability upon six (6) months prior written notice if the Company shall by action of its members elect to cease the business of the Network.

2. Programming.

(a) The Company commits to supply to SATH network programming for free over-the-air television broadcasting by each Station twenty-four (24) hours a day, seven (7) days a week for the term of this Agreement (the "Programming Period"). SATH agrees that, subject only to Section 3 below, each Station shall clear and broadcast all programming supplied to Station hereunder for broadcast during the Programming Period.

(b) All programming furnished to SATH for the Stations pursuant to this Agreement shall be referred to herein as "Network Programming," and any one program of Network Programming shall be referred to as a "Network Program." The selection, scheduling, substitution and withdrawal of any Network Program or other portion of Network Programming shall at all times remain within the sole discretion and control of the Company.

(c) SATH shall be solely responsible for all costs and expenses incurred by SATH or any Station hereunder in connection with SATH's ownership, operation, maintenance and facility upgrades of each Station, including, without limitation, timely compliance with the FCC's requirements for transition to digital television broadcasting. Notwithstanding the foregoing, any costs and expenses incurred by SATH or any Station in connection with the expansion of any Station facilities beyond the FCC's requirements or any other non-essential capital improvement, in either case expressly requested by the Company, shall be paid by the Company.

(d) Notwithstanding anything to the contrary in this Agreement, the Company shall not have any obligation to supply Network Programming to any Station if the Company reasonably believes that such Station's airing of Network Programming could result in the violation by the Company or any parent, subsidiary or affiliated company of the Company of any policy, rule or regulation of the FCC, including but not limited to, Section 73.3555(b) of the FCC's rules (the local television multiple ownership rule).

3. FCC Mandated Programming Requirements.

(a) SATH shall be responsible for all material broadcast over its facilities and reserves the right to substitute programming other than Network Programming as necessary in its good faith discretion to comply with its licensee obligations under the FCC's rules and policies. During the past year, Stations each have devoted less than 3.5 hours per week (the "Programming Allowance") to programming other than Network Programming. SATH does not presently foresee that any Station's licensee obligations will require that it present a greater amount of programming other than Network Programming during the Programming Period or significantly alter the time periods during which such programming other than Network Programming is presented.

(b) SATH shall immediately notify the Company in the event that any Station broadcasts more than 3.5 hours of programming other than Network Programming in any calendar week and shall provide the Company with a complete schedule of that week's programming other than Network Programming within one week. SATH agrees that the next Network Payment for a month that includes the last day of a calendar week in which any Station aired more than 3.5 hours of programming other than Network Programming shall be reduced by an amount equal to $.0001461 for every hour of programming other than Network Programming broadcast in excess of the Programming Allowance multiplied by the number of Network Households reached by the Station. Further, should any Station broadcast more than 3.5 hours per calendar week of programming other than Network Programming during any four calendar weeks per calendar year, the Company, in addition to any other remedies it may have under this Agreement or otherwise, may immediately terminate the Agreement with respect to that Station. The remedies set forth in this Section 3 shall not apply if (i) SATH's failure to broadcast Network Programming on any Station is a direct result of an event of force majeure as provided in Section 6 of this Agreement; or (ii) SATH reasonably believes that such Network Programming is unsatisfactory, unsuitable, or contrary to the public interest as described below.

(c) While a Station may decline to air Network Programming that it reasonably deems to be unsatisfactory, unsuitable, or contrary to the public interest, SATH shall not fail to broadcast any Network Programming as a result of commercial motivation; that is, programming shall not be deemed to be unsatisfactory, unsuitable or contrary to the public interest based on performance, ratings, or the availability of alternative programming which SATH believes to be more profitable or more attractive.

4. Payments. In consideration of SATH entering into this Agreement and the Stations' performance of their obligations hereunder, the Company shall pay SATH an amount calculated by dividing the product of $1.25 and the average number of Network Households (as hereinafter defined) by twelve (the "Network Payment"). For purposes of this Section 4, "Network Households" shall mean the number of cable households reached by the Network calculated by averaging the total number of cable households reached by the Network on the first and last day of each month during the Term. The Network Payment shall be due and payable to SATH in arrears on a monthly basis on the fifteenth (15^{th}) day of each month during the Term. If any Network Payment is not made within ten (10) days after the due date thereof, then such Network Payment will bear a penalty equal to 1% of the amount of such Network Payment per month. The number of Network Households shall be computed by SATH according to its normal historical practices based on available information which it believes to be reliable and according to the agreed upon procedures set forth on Exhibit B. Each Network Payment shall be accompanied by a certification of SATH's Chief Executive Officer, Chief Operating Officer or Chief Financial Officer that such amount has been determined in compliance with this Section 4. The Company shall have the right, exercisable no more often than once per year, to conduct an audit of SATH's calculations of the number of Network Households. If, as a result of the audit, the Company concludes that SATH's calculations are overstated by a factor of more than 5% for any Station, the resulting overpayments made during the period of the audit shall be immediately paid to the Company by SATH. Notwithstanding this payment obligation, SATH may object to the audit determination made by the Company, and in that event the parties will mutually agree upon an independent third party to conduct an audit of such calculations, and the results of such

audit shall be binding for the period covered by the audit. If, as a result of the audit by the third party, it is determined that SATH overstated the number of Network Households during the audit period by more than 5% for any Station, the cost of the audit shall be paid by SATH. Otherwise, the cost of the audit shall be paid by the Company.

5. Conditions of Station's Broadcast. As a condition to SATH's broadcast of Network Programming on any Station, SATH shall not make any deletions from, or additions or modifications to, any Network Program or any commercial, Network identification, program promotional or production credit announcements or other interstitial material contained therein, nor broadcast any commercial or other announcements (except emergency bulletins) during any such program, without the Company's prior written authorization. SATH shall broadcast each Network Program on the Stations from the commencement of network origination until the commencement of the next program.

6. Force Majeure. Neither SATH nor the Company shall incur any liability to the other party hereunder because of the Company's failure to deliver, or the failure of a Station to broadcast, any or all Network Programs due to failure of facilities, labor disputes, government regulations, including, but not limited to, applicable FCC regulations, or causes beyond the reasonable control of the party so failing to deliver or to broadcast. Without limiting the generality of the foregoing, the Company's failure to deliver a program due to cancellation of that program for any reason shall be deemed to be for causes beyond the Company's reasonable control.

7. Indemnification.

(a) The Company shall indemnify, defend and hold each Station (individually, an "Indemnified Station"), its parent, subsidiary and affiliated companies, and their respective directors, officers and employees, harmless from and against all claims, damages, liabilities, costs and expenses (including reasonable attorneys' fees) arising out of the use by the Indemnified Station, in accordance with this Agreement, of any Network Program or other material as furnished by the Company hereunder, provided that the Indemnified Station promptly notifies the Company of any claim or litigation to which this indemnity shall apply, and that the Indemnified Station cooperates fully with the Company in the defense or settlement of such claim or litigation.

(b) SATH shall indemnify, defend and hold the Company, its parent, subsidiary and affiliated companies, and their respective directors, officers and employees, harmless with respect to (i) material added to or deleted from any program by any Station; and (ii) any programming or other material broadcast by any Station and not provided by the Company hereunder, provided that the Company promptly notifies SATH of any claim or litigation to which this indemnity shall apply, and that the Company cooperates fully with SATH in the defense or settlement of such claim or litigation.

(c) These indemnities shall not apply to litigation expenses, including attorneys' fees, which the indemnified party elects to incur on its own behalf, provided that the indemnifying party has assumed responsibility for the defense or settlement of the claim.

8. Change in Operations. SATH represents and warrants that it holds a valid license granted by the FCC to operate each Station as a television broadcast station. Such representation and warranty shall constitute a continuing representation and warranty by SATH. In the event that at any time a Station's transmitter location, power, frequency or operations and such change results in a loss of 10% or more of the cable TV households which receive the Station, then the Company may terminate this Agreement with respect to such Station or Stations upon thirty (30) days' prior written notice to SATH.

9. Unauthorized Copying and Transmission; Retransmission Consent.

(a) SATH shall not authorize, cause, or permit, without the Company's consent, any Network Program or other material furnished to SATH hereunder to be recorded, duplicated, rebroadcast or otherwise transmitted or used for any purpose other than broadcasting by SATH on each Station as provided herein. Notwithstanding the foregoing, SATH shall not be restricted in the exercise of its signal carriage rights pursuant to any applicable rule or regulation of the FCC with respect to retransmission of its broadcast signal by any cable system or multichannel video program distributor ("MVPD"), as defined in Section 76.64(d) of the FCC's rules, which (i) is located within the DMA in which each Station is located; or (ii) was actually carrying Station's signal as of April 1, 1993; or (iii) with respect to cable systems, serving an area in which Station is "significantly viewed" (as determined by the FCC) as of April 1, 1993; provided, however, that any such exercise pursuant to the FCC's rules with respect to Network Programs shall not be deemed to constitute a license by the Company.

(b) SATH shall not consent to the retransmission of its broadcast signal by any cable television system, or, except as provided in Section (c) below, to any other MVPD whose carriage of broadcast signals requires retransmission consent, if such cable system or MVPD is located outside the DMA to which any Station is assigned, unless such Station's signal was actually carried by such cable system or MVPD as of April 1, 1993, or, with respect to such cable system, is "significantly viewed" (as determined by the FCC) as of April 1, 1993.

(c) SATH shall not consent to the retransmission of its broadcast signal by any MVPD that provides such signal to any home satellite dish user, unless such user is located within any Station's own DMA.

(d) If SATH violates any of the provisions set forth in this Section 9, the Company may, in addition to any other of its rights or remedies at law or in equity under this Agreement or any amendment thereto, terminate this Agreement with respect to the violating Station by written notice to SATH given at least ninety (90) days prior to the effective date of such termination.

10. DTV Conversion. SATH acknowledges that, upon commencement of operation of each Station's digital television signal ("DTV channel"), SATH will cause each Station, to the same extent as this Agreement provides for carriage of Network Programming on its analog channel, carry on such DTV channel the digital feed, when available, of such Network Programming as and in the technical format provided by the Company consistent with the ATSC standards and all program related material.

11. Assignment.

(a) This Agreement may not be assigned or transferred (including pursuant to any change in the control of SATH or any Station), except a "short form" assignment or transfer of control made pursuant to Section 73.3540(f) of the FCC's rules, directly or indirectly, whether by operation of law or otherwise, without the prior written consent of the Company, which consent shall not be unreasonably withheld, and, except as permitted by Section 11(b), no permitted assignment or transfer shall relieve SATH of its obligations hereunder. Any purported assignment or transfer by SATH or any Station without the Company's consent as required hereby shall be null and void and not enforceable against the Company.

(b) In the event of a transfer of control or assignment of any Station's license, except a "short form" assignment or transfer of control made pursuant to Section 73.3540(f) of the FCC's rules (each, a "Change in Control Transaction"), SATH shall cause the license assignee or transferee (a "Station Transferee") to assume SATH's obligations hereunder with respect to such Station, provided that such Station Transferee may terminate this Agreement with respect to such Station but such termination shall not be effective (i) prior to the day following the last day of the fifteenth (15^{th}) month following the Effective Date; and (ii) unless such Station Transferee provides the Company written notice of such termination no later than six (6) months prior to the date of such termination.

12. Notices. Notices hereunder shall be in writing and shall be given by personal delivery or overnight courier service: (a) to SATH at the address set forth on the first page of this Agreement; and (b) to the Company at the address set forth on the first page of this Agreement, or at such address or addresses as may be specified in writing by the party to whom the notice is given. Notices shall be deemed given when personally delivered and on the next business day following dispatch by overnight courier service.

13. Availability of Equitable Remedies. In the event of a material breach of this Agreement, the party not at fault, if any, shall retain and have the right to pursue all rights and remedies available at law or in equity against the defaulting party. Since a breach of the provisions of this Agreement could not adequately be compensated by money damages, any party shall be entitled, in addition to any other right or remedy available to it, to an injunction restraining such breach or threatened breach and to specific performance of any such provision of this Agreement. No bond or other security shall be required in connection with any such action, and the parties consent to the issuance of such an injunction and to the ordering of specific performance.

14. Entire Agreement/Amendments. The foregoing constitutes the entire Agreement among the parties with respect to the affiliation of the Stations with the Network. This Agreement may not be changed, amended, modified, renewed, extended or discharged, except as specifically provided herein or by an agreement in writing signed by the parties hereto.

15. Confidentiality. The parties agree to use their best efforts to preserve the confidentiality of this Agreement and the terms and conditions set forth herein, and the exhibits annexed hereto, to the fullest extent permissible by law.

16. Applicable Law. The obligations of SATH and the Company under this Agreement are subject to all applicable federal, state, and local laws, rules and regulations, including, but not limited to, the Communications Act of 1934, as amended, and the rules and regulations of the FCC, and this Agreement and all matters or issues collateral thereto shall be governed by the law of the State of Ohio, without regard to applicable conflict of laws provisions.

17. Severability. If any provision of this Agreement or the application of such provision to any circumstance is held invalid, the remainder of this Agreement, or the application of such provision to circumstances other than those as to which it is held invalid, will not be affected thereby.

18. Waiver. A waiver by SATH or the Company of a breach of any provision of this Agreement shall not be deemed to constitute a waiver of any preceding or subsequent breach of the same provision or any other provision hereof.

19. Counterparts. This Agreement may be signed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

20. Headings. The headings contained in this Agreement are for convenience of reference only and shall not be considered a part of, or affect the construction or interpretation of any provision of, this Agreement.

21. Liability of SATH and Stations. Notwithstanding any provision herein, SATH and each of its subsidiaries shall be jointly and severally liable for all agreements, covenants, representations, warranties and indemnities of SATH hereunder.

If the foregoing is in accordance with your understanding, please indicate your acceptance on the copy of this Agreement enclosed for that purpose and return that copy to us.

Very truly yours,

SHOP AT HOME NETWORK, LLC

By: _____

Name: _____

Title: _____

AGREED:

SHOP AT HOME, INC.

By: _____

Name: _____

Title: _____

SAH LICENSE, INC.

By: _____

Name: _____

Title: _____

SAH ACQUISITION CORPORATION II

By: _____

Name: _____

Title: _____

EXHIBIT A

1. SAH License, Inc.
3993 Howard Hughes Parkway, Suite 100
Las Vegas, NV 89109

Licensee of Television Stations: WSAH, Bridgeport, CT; WMFP, Lawrence, MA

2. SAH Acquisition Corporation II
P.O. Box 305249
Nashville, TN 37230

Licensee of Television Stations: KCNS, San Francisco, CA; WRAY-TV, Wilson, NC; WOAC, Canton, OH

EXHIBIT 8.4(g)

THE E.W. SCRIPPS COMPANY
312 Walnut Street
Cincinnati, Ohio 45202

_____, 2002

Shop At Home, Inc.
5388 Hickory Hollow Parkway
Nashville, Tennessee 37013

Dear Sirs:

As a condition to the indirect purchase by The E.W. Scripps Company ("EW Scripps"), through a subsidiary, of shares in SAH Holdings, Inc. ("Holdings"), an Ohio corporation and a wholly owned subsidiary of Shop At Home, Inc. ("SATH"), EW Scripps hereby agrees that it will not directly or indirectly through a subsidiary acquire substantially all of the equity interests in or assets related to any home shopping cable television network offered and distributed in the United States unless it provides SATH with the opportunity to participate in such acquisition, on the same terms and conditions as EW Scripps, pro rata with EW Scripps to the extent of SATH's direct or indirect membership interest in the Shop At Home Network, LLC, a Tennessee limited liability company owned by SATH, Holdings and SAH Acquisition Corporation, a wholly owned subsidiary of SATH (the "LLC"). If EW Scripps so chooses, in its sole discretion, EW Scripps can require that such participation take the form of direct participation in the purchase from the seller of such business, purchase of the business through an entity jointly owned (directly or indirectly) by EW Scripps, SATH and third parties, or a sale by EW Scripps or issuance by the entity holding such business to SATH of equity as soon as practicable after consummation of the acquisition. EW Scripps shall promptly deliver to SATH written notice of the proposed acquisition (the "Acquisition Notice"), including information regarding the business to be acquired, the terms and conditions of the acquisition, and the closing and termination dates, and any other material facts or terms and conditions. SATH shall notify Scripps of its intention to participate in such acquisition as soon as practicable but not later than 30 days after receipt of the Acquisition Notice.

In no event will EW Scripps be required to use the LLC to effect any acquisition of a home shopping cable television network or be required to offer any opportunity to effect any such acquisition to the LLC, and, by their countersignatures on this letter, SATH, SAH Acquisition Corporation and the LLC hereby acknowledge and agree to same and waive any statutory or common law duties with respect to the foregoing.

Respectfully,

THE E.W. SCRIPPS COMPANY

By _____

Acknowledged and agreed to:

SHOP AT HOME, INC.

By _____

SHOP AT HOME NETWORK, LLC

By _____

SAH HOLDINGS, INC.

By _____

SAH ACQUISITION CORPORATION

By _____

EXHIBIT 8.4(h)

LOAN AND SECURITY AGREEMENT

THIS LOAN AND SECURITY AGREEMENT (this "Agreement") is dated as of , 2002, among (formerly known as SHOP AT HOME, INC.), a Tennessee corporation ("SATH"), KCNS, INC., a Tennessee corporation ("KCNS"), WMFP, INC., a Tennessee corporation ("WMFP"), WOAC, INC., a Tennessee corporation ("WOAC"), and SAH LICENSE, INC., a Nevada corporation ("SAH License"), as the borrowers (each of the foregoing individually, a "Borrower" and, collectively, the "Borrowers"), and THE E.W. SCRIPPS COMPANY, an Ohio corporation, as the lender (the "Lender"). Capitalized and certain other terms are defined in Section 8 of this Agreement.

AGREEMENT

In consideration of the mutual agreements contained in this Agreement, the parties hereby agree as follows:

SECTION 1
LOAN, PREPAYMENT AND USE OF PROCEEDS

1.1 Loan. Subject to the terms and conditions of this Agreement, the Borrowers agree to borrow from the Lender, and the Lender agrees to loan to the Borrowers, the principal sum of $47,500,000.00 (the "Loan"). The obligation to repay the Loan pursuant to this Agreement will be evidenced by a promissory note (the "Note") of the Borrowers in the principal amount of $47,500,000.00 in the form attached hereto as Exhibit A and made a part hereof, and on the terms set forth therein.

1.2 Prepayment. The Loan may be prepaid prior to maturity at any time or from time to time, in whole or in part, without penalty or premium. If the Borrowers make any prepayment of the Loan, such prepayment will be applied first to payment of accrued but unpaid interest on the principal balance of the Loan through the date of prepayment and then to payment of principal. After any partial prepayment, regular payments will continue to be due and payable in the same amounts and at the same times as required by the Note prior to prepayment until the Loan is paid in full.

The parties acknowledge that the Loan is secured by the Collateral. Without limiting any other provision of this Agreement, if any Borrower sells, transfers or otherwise disposes of, whether by sale of assets or Stock, merger, consolidation, reorganization, by contract or otherwise (each a "Transfer"), any interest in any Collateral, then the Borrowers shall pay to the Lender the entire amount of the Net Proceeds received by any Borrower from such Transfer as a prepayment of the Loan under this Section and such amount will be applied in accordance herewith. Without the Lender's express written consent, no Borrower may use any proceeds of a Transfer of Collateral to pay any taxes, assessments, liens or other obligations other than those contemplated by the definition of Net Proceeds.

The parties acknowledge that SATH and Scripps Networks, Inc., a subsidiary of the Lender ("Scripps Networks"), are parties to a Shareholders Agreement dated of even date herewith, in respect of their interests in The Scripps Shop At Home Holding Company, an Ohio corporation

("Holdings"), and that Holdings, SATH and SAH Acquisition Corporation, a wholly owned subsidiary of SATH, are parties to an Amended and Restated Operating Agreement dated of even date herewith, in respect of their interests in Shop At Home Network, LLC, a Tennessee limited liability company ("Network Operating Company") (the Shareholders Agreement and the Amended and Restated Operating Agreement will be referred to as the "Network Partnership Agreements"). The Lender hereby agrees that upon the occurrence of any event that under the Network Partnership Agreements results in any provision thereof requiring or permitting Scripps Networks or Holdings to offset all or any portion of the Loan against SATH's right to receive payments from Scripps Networks or Holdings, or requiring SATH to make a prepayment of the Loan, the Lender shall accept such offsets with Scripps Networks and Holdings as valid prepayments hereunder and the amount of such offsets as determined under the Network Partnership Agreements will constitute satisfaction of the Loan to the extent of such amount.

1.3 Use of Proceeds. The Borrowers shall use the Loan proceeds solely to fund a portion of the payments necessary for the Borrowers to extinguish all of their Indebtedness existing on the date hereof under SATH's $75,000,000 Senior Secured Notes due April 2005 and the Loan and Security Agreement dated August 1, 2001 between SATH, as Borrower, and Foothill Capital Corporation, as Lender, and all encumbrances in respect thereof.

SECTION 2
CREATION OF SECURITY INTEREST

2.1 Grant of Security Interest. The Borrowers hereby grant to the Lender a continuing valid first lien and security interest (individually, the "Security Interest" and collectively, the "Security Interests") in all of their respective right, title and interest in and to all currently existing and hereafter acquired or arising Collateral in order to secure prompt repayment of any and all of the Obligations in accordance with the terms and conditions of the Loan Documents and in order to secure prompt performance by each Borrower of its respective covenants and duties under the Loan Documents. The Security Interest shall attach to all of the Collateral without any further action on the part of the Lender or the Borrowers. Notwithstanding any other provision of this Agreement or any of the other Loan Documents, no Borrower has any authority, whether express or implied, to Transfer or to create any Encumbrance on any of the Collateral.

2.2 Evidence of Security Interest. The Security Interest shall be evidenced and enhanced by this Agreement, the Financing Statements, the Pledge Agreements and the Collateral Assignments of Leases. The Borrowers shall take all steps required by any of the foregoing documents to perfect or enhance the Security Interest, including without limitation by delivering such certificates and stock powers as may be necessary to perfect the Security Interest in the Pledged Stock and to the extent not delivered as of the Closing Date by using commercially reasonable best efforts to obtain the delivery of landlord lien waivers and estoppels as to any leased real property.

2.3 Broadcast Licenses as Collateral. Notwithstanding anything in the definition of "Collateral" to the contrary, to the extent that this Agreement or any other Loan Document purports to require any Borrower to grant a security interest to the Lender in any Broadcast License now owned or hereafter acquired, the Lender will have only a lien and security interest in such Broadcast License at such time and to the extent that a lien and security interest in such Broadcast License is permitted under applicable Legal Requirements. Notwithstanding anything

in this Agreement or any other Loan Document to the contrary, the Lender shall not take any action pursuant to this Agreement or any other Loan Document that would constitute or result in any assignment or deemed assignment of any Broadcast License without obtaining the prior approval of the FCC or any other necessary Governmental Body if, under the applicable Legal Requirements then in effect, such assignment would require such approval. Prior to the Lender's exercise of any power, right, privilege or remedy pursuant to this Agreement that requires any consent, approval, recording, qualification or authorization of the FCC or any other Governmental Body, the Borrowers shall execute and deliver, or shall cause the execution and delivery of, all applications, certificates, instruments and other documents and papers that the Lender determines may be required to obtain such consent, approval, recording, qualification or authorization. Without limiting the generality of the foregoing, upon the Lender's request, the Borrowers shall use their good faith efforts to assist the Lender in obtaining any of the foregoing consents, approvals or authorizations.

2.4 Financing Statements; Additional Actions.

a. The Borrowers authorize the Lender to file any financing statements required hereunder and any continuation statements or authorizations with respect thereto (collectively, the "Financing Statements") in any appropriate filing office without the signature of any Borrower where permitted by applicable law.

b. If any of the Collateral, including without limitation any proceeds of any Collateral, is evidenced by or consists of letters of credit, letter of credit rights, instruments, promissory notes, drafts, documents or chattel paper (including without limitation electronic chattel paper), or any supporting obligations in respect thereof, and the Security Interest depends upon or is enhanced by possession of any such Collateral, immediately upon the Lender's request, the Borrowers shall endorse and deliver to the Lender physical possession thereof.

c. If any Borrower acquires any commercial tort claims relating to any Stations after the date hereof, such Borrower shall immediately deliver a written description of such claim to the Lender, together with a written agreement in form and substance satisfactory to the Lender in its reasonable discretion pursuant to which such Borrower shall pledge and collaterally assign all of its right, title and interest in and to such commercial tort claim to the Lender as security for the Obligations.

d. If any Collateral is at any time in the possession or control of any warehouseman, bailee or any agent or processor, the Borrowers shall notify such Person of the Security Interest in such Collateral and shall obtain from such Person an acknowledgment that such Person is holding the Collateral for the Lender's benefit.

e. At any time upon Lender's request, the Borrowers shall execute and deliver to the Lender any and all Financing Statements, mortgages, fixture filings, security agreements, pledges, assignments, endorsements of certificates of title and all other documents, each in form and substance satisfactory to the Lender in its reasonable discretion, to create and perfect and continue perfected or better perfect the Security Interest (whether arising now or hereafter) in the Collateral. To the maximum extent permitted by applicable law, each Borrower hereby (i) authorizes the Lender to execute and file any such documents in any appropriate filing office and (ii) agrees, upon the Lender's request, (A) to cause all patents, copyrights and

trademarks acquired or generated by the Borrower and relating to the Stations that are not already the subject of a registration with the appropriate filing office to be registered with such filing office in a manner sufficient to impart constructive notice of the Borrower's ownership thereof and (B) to cause to be prepared, executed and delivered to the Lender supplemental schedules to the applicable Loan Documents to identify any of the foregoing as being subject to the Security Interest created under this Agreement.

2.5 Power of Attorney. The Borrowers hereby irrevocably make, constitute and appoint the Lender and any officers, employees or agents designated by the Lender as the Borrowers' true and lawful attorney, with power (a) to sign the name of any Borrower on any of the documents described in this Section 2, (b) at any time that an Event of Default has occurred and is continuing, to sign the name of any Borrower on any document relating to the Collateral, (c) to send requests for verification of accounts, (d) to endorse the name of any Borrower on any checks, instruments or items of payment that may come into the Lender's possession, (e) at any time that an Event of Default has occurred and is continuing, to make, settle and adjust any claims under a policy of insurance of any Borrower and (f) at any time that an Event of Default has occurred and is continuing, to settle and adjust disputes and claims respecting the accounts, chattel paper or general intangibles directly with the account debtors for amounts and upon terms that the Lender determines in its sole discretion. The Lender's appointment as the Borrowers' attorney, and each and every one of the Lender's rights and powers, being coupled with an interest, are irrevocable until the Obligations have been fully repaid and performed.

2.6 Right to Inspect. The Lender and its officers, employees or agents will have the right, at any time upon reasonable advance notice and from time to time but not more often than quarterly, to inspect the books and records of the Borrowers and to assess, check, test and appraise the Collateral, in either case to verify the financial condition of any Borrower or the amount, quality, value or condition of the Collateral.

SECTION 3
CONDITIONS PRECEDENT TO THE LENDER'S OBLIGATION

The obligation of the Lender to enter into this Agreement and make the Loan to the Borrowers is conditioned upon the Borrowers' satisfaction of the following conditions precedent:

3.1 Delivery of Documents. The Borrowers shall have delivered to the Lender each of the following documents, each in form and substance satisfactory to the Lender in its sole discretion:

a. Properly executed Note;

b. Properly executed Financing Statements, Pledge Agreements and Collateral Assignments of Leases, and other documentation contemplated thereby or hereby;

c. The Organizational Documents of each Borrower pursuant to the Pledge Agreements, in each case certified by the Secretary or Assistant Secretary of such Borrower as true and complete on and as of the date of such certificate, and a certificate of good standing for each of the Borrowers issued by the secretary of state of its jurisdiction of organization and all

other jurisdictions in which it is qualified, in each case as of a date immediately prior to the date hereof;

d. Certified copy of the resolutions of the board of directors of each Borrower authorizing the Loan and such Borrower's execution and delivery of the Loan Documents, its grant of the Security Interest, and its assumption of the Obligations;

e. Incumbency certificate for each Borrower, signed by the Secretary or Assistant Secretary of such Borrower, for each person executing any of the Loan Documents on behalf of such Borrower;

f. Opinion of counsel for each Borrower in form and substance satisfactory to the Lender confirming the following:

(i) The Borrower is a corporation duly organized, existing and in good standing under the laws of its jurisdiction of organization. The Borrower has the corporate power to own its properties and to carry on its business as now being conducted. The Borrower is where necessary duly qualified as a foreign corporation to do business and is in good standing in the jurisdiction or jurisdictions in which the nature of the business conducted makes such qualification necessary.

(ii) Except as otherwise disclosed in writing, there is no action or proceeding pending or threatened against or affecting the Borrower in any court or before any Governmental Body, arbitration board or tribunal, which individually or in the aggregate could have a Material Adverse Effect.

(iii) The execution of the Loan Documents executed by the Borrower, the Loan and the Security Interests have been fully authorized by the Borrower pursuant to its Organizational Documents or otherwise; and the officers executing the Loan Documents have been duly authorized to do so.

(iv) The Loan Documents executed by the Borrower constitute legal, valid and binding obligations of the Borrower and are enforceable against the Borrower in accordance with their respective terms, except as enforcement of such terms may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditor's rights generally.

(v) The Security Interests constitute valid liens upon the Collateral and are properly perfected. The filings made in connection with the Liens have been made in all of the necessary public offices and are all of the filings which may be of material advantage in preserving, protecting and perfecting the Security Interests.

(vi) The execution of the Loan Documents by the Borrower and its performance of the Obligations will not be in conflict with the terms and provisions of any contract or agreement to which the Borrower is a party or by which it is bound and will not result in a breach of the terms, conditions and provisions of or constitute a default under the Borrower's Organizational Documents.

(vii) The execution and performance of the Loan Documents by the Borrower do not violate any law, statute or ordinance, nor do they violate any rule or regulation promulgated pursuant to any law, statute or ordinance which materially and adversely affects the Borrower.

(viii) Such qualifications, assumptions and other matters incident to the Loan as reasonably may be requested by the Borrower's counsel.

g. Such other usual and customary documents as the Lender or its counsel may reasonably request.

3.2 Share Purchase Agreement. All of the terms and conditions provided under the Share Purchase Agreement dated as of August , 2002 between Scripps Networks and SATH (the "Share Purchase Agreement") which are required to have been performed for the consummation of the closing thereunder shall have been fully satisfied and the closing thereunder shall occur simultaneously with the closing hereunder.

SECTION 4
REPRESENTATIONS AND WARRANTIES OF THE BORROWERS

Note: No Schedules need to be produced until the Closing Date, so all internal restructuring will have occurred already.

The Borrowers, jointly and severally, represent and warrant to the Lender, as of the date hereof (except for such representations and warranties that refer specifically to another date and, in such case, as of the date so referred to), as follows:

4.1 Organization and Good Standing. Each Borrower is a corporation duly organized, validly existing, and in good standing under the laws of its state of incorporation, with full corporate power and authority to conduct its business as it is now being conducted, to own or use the properties and assets that it purports to own or use, and to perform all of its Obligations. Each Borrower is duly qualified to do business as a foreign corporation and is in good standing under the laws of each state or other jurisdiction in which either the ownership or use of the properties owned or used by it, or the nature of the activities conducted by it, requires such qualification. Each Borrower has delivered to the Lender copies of its Organizational Documents, as currently in effect.

4.2 Authority; No Conflict.

a. This Agreement constitutes the legal, valid, and binding obligation of each Borrower, enforceable against each Borrower in accordance with its terms. Upon the execution and delivery by each Borrower of each of the Loan Documents to which it is a party, such Loan Documents will constitute the legal, valid, and binding obligations of such Borrower, enforceable against such Borrower in accordance with their respective terms. Each Borrower has the absolute and unrestricted right, power and authority to execute and deliver the Loan Documents to which it is a party and to perform its obligations thereunder.

b. Neither the execution and delivery of this Agreement nor the consummation or performance of the terms and conditions of the Loan Documents, after giving

effect to the closing of the transactions contemplated under the Share Purchase Agreement and the Network Partnership Agreements (collectively, the "Network Transactions"), by a Borrower will, directly or indirectly (with or without notice or lapse of time):

(i) contravene, conflict with, or result in a violation of any provision of the Organizational Documents of such Borrower, or any resolution adopted by the board of directors or stockholders of such Borrower;

(ii) contravene, conflict with, or result in a violation of, or give any Governmental Body or other person the right to challenge the Loan, or to exercise any remedy or obtain any relief under, any Legal Requirement or any Order to which such Borrower, or any of the assets owned or used by such Borrower, may be subject;

(iii) contravene, conflict with, or result in a violation of any of the terms of, or give any Governmental Body the right to revoke, withdraw, suspend, cancel, terminate, or modify, any Governmental Authorization that is held by such Borrower or that otherwise relates to the business of, or any of the assets owned or used by, such Borrower;

(iv) contravene, conflict with, or result in a violation or breach of any provision of, or give any Person the right to declare a default or exercise any remedy under, or to accelerate the maturity or performance of, or to cancel, terminate, or modify, any Contract to which such Borrower is bound; or

(v) result in the imposition or creation of any Encumbrance upon or with respect to any of the assets owned or used by such Borrower, other than the Security Interest.

Except as set forth in Schedule 4.2, no Borrower will be required to give any notice to or obtain any Consent from any Person in connection with the execution and delivery of the Loan Documents, the consummation of the Loan or the performance of the Obligations.

4.3 Capitalization. After giving effect to the Network Transactions, SATH is the record and beneficial owner and holder of all of the Pledged Stock of KCNS, WMFP, WOAC, Holdings and Network Operating Company and WMFP is the record and beneficial owner of all of the Pledged Stock of SAH License. The Pledged Stock of SAH Acquisition, WMFP and SAH License constitutes all of the outstanding Stock of such entities. All of the Pledged Stock is owned free and clear of all Encumbrances except for the Security Interest. The authorized capital Stock of each such Subsidiary Borrower is set forth in Schedule 4.3, and all of such Stock is duly authorized, validly issued, fully paid and nonassessable, and was issued in conformity with all applicable state and federal securities laws. No Subsidiary Borrower has any other Stock of any class issued, reserved for issuance, or outstanding. There are no outstanding options, offers, warrants, conversion rights, agreements, or other rights to subscribe for Stock of or to purchase Stock from any Subsidiary Borrower. No Stock of any Subsidiary Borrower carries, and no stockholder of any Subsidiary Borrower has been granted, any preemptive rights. No Subsidiary Borrower is obligated under any agreement, arrangement or understanding to redeem or otherwise purchase any of its Stock. There are no Contracts relating to the issuance, sale or Transfer of any equity or other Stock of any Subsidiary Borrower. No Borrower owns, or has a Contract to acquire, any Stock of any Person, including without limitation any direct or indirect equity or ownership interest in any other business.

4.4 Financial Statements.

a. SATH has filed all reports, schedules, forms, statements and other documents required to be filed by it with the SEC pursuant to the reporting requirements of the 1934 Act (all of the foregoing filed prior to the date hereof and all exhibits included therein and financial statements and schedules thereto and documents incorporated by reference therein being hereinafter referred to as the "SEC Documents"). A complete list of the SEC Documents is set forth on Schedule 4.4. As of their respective dates, the SEC Documents complied in all material respects with the requirements of the 1934 Act. None of the SEC Documents, at the time they were filed with the SEC, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. As of their respective dates, SATH's financial statements included in the SEC Documents complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto. Such financial statements have been prepared in accordance with GAAP (except as may be otherwise indicated in such financial statements or the notes thereto, or, in the case of unaudited interim statements, to the extent they may exclude footnotes or may be condensed or summary statements) and fairly present in all material respects the consolidated financial position of SATH and its subsidiaries on a consolidated basis as of the dates thereof and the consolidated results of its operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments). No other information provided by or on behalf of any Borrower to the Lender that is not included in the SEC Documents contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstance under which they are or were made, not misleading.

b. The Borrowers have delivered or caused to be delivered to the Lender *pro forma* combined statements of operations and balance sheets of the Borrowers for the twelve months ended June 30, 2002 and for the quarter ended September 30, 2002, after giving effect to the Network Transactions and the Loan as if such transactions had occurred as of July 1, 2002 (the "Pro Forma Financial Statements"). The Pro Forma Financial Statements were prepared on behalf of the Borrowers in good faith after taking into account the existing and historical levels of business activity of the Borrowers, known trends, including general economic trends, and all other information, assumptions and estimates considered by management of Borrowers to be reasonable at the time, after giving effect to the Network Transactions and the Loan, and on a basis consistent with the financial statements referred to in Sections 4.4(a) and (c), other than as expressly set forth in the Pro Forma Financial Statements. There are no statements or conclusions in any of the Pro Forma Financial Statements that are based upon or include information known to any Borrower to be misleading in any material respect or that fail to take into account material information regarding the matters set forth therein. No facts are known to the Borrowers which, if reflected in the Pro Forma Financial Statements, could be expected to materially affect the reliability, performance, accuracy and completeness of the Pro Forma Financial Statements or the assets, liabilities, results of operations or cash flows reflected therein.

c. The Borrowers have delivered to the Lender complete and correct copies of *pro forma* financial projections prepared by Borrowers' management for the fiscal years ending June 30, 2003 and June 30, 2004, after giving effect to the Network Transactions and the Loan (the "Financial Projections"). The Financial Projections were prepared on behalf of the Borrowers in good faith after taking into account the existing and historical levels of business activity of the Borrowers, known trends, including general economic trends, and all other information, assumptions and estimates considered by Borrowers' management to be reasonable

at the time, after giving effect to the Network Transactions and the Loan and on a basis consistent with the financial statements referred to in Sections 4.4(a) and (b), other than as expressly set forth in the Financial Projections. There are no statements or conclusions in the Financial Projections that are based upon or include information known to any Borrower to be misleading in any material respect or that fail to take into account material information regarding the matters set forth therein. No facts are known to the Borrowers which, if reflected in the Financial Projections, could be expected to materially affect the reliability, performance, accuracy and completeness of the Financial Projections or the assets, liabilities, results of operations or cash flows reflected therein. On the date hereof, the Borrowers believe that the Financial Projections are reasonable and attainable but the parties acknowledge that future changes in facts and circumstances may render such Financial Projections unattainable. This Section 4.4(c) is not intended, nor will it be considered, to be a guaranty of future performance.

d. Except as fully reflected in the financial statements and notes related thereto described in Section 4.4(a), there were as of the date hereof (after giving effect to the Network Transactions), no liabilities or obligations with respect to any Borrower of any nature whatsoever (whether absolute, accrued, contingent or otherwise and whether or not due) which, either individually or in aggregate, have had or could reasonably be expected to result in a material adverse effect on the business, prospects, properties, operations, results of operations, assets, liabilities or condition (financial or otherwise) of any Borrower. As of the date hereof, the Borrowers know of no basis for the assertion against any Borrower of any liability or obligation of any nature whatsoever that is not fully disclosed in the financial statements delivered pursuant to Sections 4.4(a) and (b) which, either individually or in the aggregate, has had or could reasonably be expected to result in a Material Adverse Effect. As of the date hereof (after giving effect to the Network Transactions), no Borrower has any outstanding Indebtedness other than the Loan and the Permitted Indebtedness.

4.5 Books and Records. The books of account, minute books, stock record books, and other records of the Borrowers, all of which have been made available to the Lender, are complete and correct and have been maintained in accordance with sound business practices. Each Borrower maintains a system of internal accounting controls sufficient to provide reasonable assurance that (a) transactions are executed in accordance with management's general or specific authorizations, (b) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset accountability, (c) access to assets is permitted only in accordance with management's general or specific authorization and (d) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. The minute books of each Borrower contain accurate and complete records of all meetings held of, and action taken by, the stockholders or members and the boards of directors, the managers, and the committees thereof, and no meeting of any stockholders, members, board of directors, managers, or committee of any Borrower has been held for which minutes have not been prepared and are not contained in such minute books.

4.6 Title to Properties; Encumbrances; Leases. Schedule 4.6 contains a complete and accurate list of all real property, leaseholds, or other interests therein owned or used by each Borrower. The Borrowers have made available to the Lender all policies of title insurance, surveys, deeds and other documents vesting title in or containing restrictions on the ownership or

use of any real property owned or used by any Borrower. Each Borrower owns (with good and marketable title in the case of real property, subject only to the matters permitted by the following sentence) all the properties and assets (whether real, personal, or mixed and whether tangible or intangible) that it purports to own or reflected as owned in its books and records. Except as set forth on Schedule 4.6, all properties and assets of the Borrowers are free and clear of all Encumbrances and are not, in the case of real property, subject to any rights of way, building use restrictions, exceptions, variances, reservations, or limitations of any nature except, with respect to all such properties and assets, liens for current taxes not yet due and with respect to real property, (a) minor imperfections of title, if any, none of which is substantial in amount, materially detracts from the value or impairs the use of the property subject thereto, or impairs the operations of any Borrower, and (b) zoning laws and other land use restrictions that do not impair the present or anticipated use of the property subject thereto. Each Borrower enjoys peaceful and undisturbed possession under any leases to which it is a party. All of such leases are valid and subsisting, and no default by any Borrower exists under any such leases. The property leased or owned by the Borrowers is all of the property necessary for the operation of the Stations as they are currently being operated.

4.7 Condition and Sufficiency of Assets. The buildings, plants, structures, and equipment of the Borrowers are structurally sound, in good operating condition and repair, and adequate for the uses to which they are being put, and none of such buildings, plants, structures or equipment is in need of maintenance or repairs except for routine maintenance and repairs that are not material in nature or cost. The building, plants, structures, and equipment of each Borrower are sufficient for the continued conduct of such Borrower's business (after giving effect to the Network Transactions) after the date hereof in substantially the same manner as conducted prior to the date hereof (excluding the business transferred in the Network Transactions) and constitute all of the assets necessary for such Borrower to conduct its business.

4.8 No Undisclosed Liabilities. Except as set forth in Schedule 4.8, no Borrower has any liabilities or obligations of any nature (whether known or unknown and whether absolute, accrued, contingent, or otherwise) except for liabilities or obligations reflected or reserved against on the face of the Pro Forma Financial Statements and current liabilities incurred in the Ordinary Course of Business since June 30, 2002.

4.9 Taxes.

a. Each Borrower has timely filed or caused to be timely filed all Tax Returns that are or were required to be filed by or with respect to any of them, either separately or as a member of a group of entities, pursuant to applicable Legal Requirements, and all Taxes owed by each Borrower have been timely paid. All such Tax Returns are true, correct and complete. Each Borrower has made available to the Lender copies of all such Tax Returns filed since June 30, 1993. Schedule 4.9 contains a complete and accurate list of, all such income Tax Returns filed since June 30, 1993. Each Borrower has paid, or made provision for the payment of, all Taxes that have or may have become due pursuant to all Tax Returns or otherwise, or pursuant to any assessment received by such Borrower, except such Taxes, if any, as are listed in Schedule 4.9 and are being contested in good faith and as to which adequate reserves (determined in accordance with GAAP) have been provided in the applicable accounting records.

b. The federal and state income Tax Returns of each Borrower have been audited by the IRS or relevant state tax authorities or are closed by the applicable statute of

limitations for all taxable years through June 30, 1998. Schedule 4.9 contains a complete and accurate list of all audits of all such Tax Returns, including a reasonably detailed description of the nature and outcome of each audit. All deficiencies proposed as a result of such audits have been paid, reserved against, settled, or, as described in Schedule 4.9, are being contested in good faith by appropriate proceedings. Schedule 4.9 describes all adjustments to the United States federal and state income Tax Returns filed by Borrower or any group of corporations including each of the Borrowers for all taxable years since June 30, 1993 and the resulting deficiencies proposed by the IRS or state authorities. Except as described in Schedule 4.9, no Borrower has given or been requested to give waivers or extensions (or is or would be subject to a waiver or extension given by any other Person) of any statute of limitations relating to the payment of Taxes of such Borrower for which such Borrower may be liable.

c. The charges, accruals and reserves with respect to Taxes on the books of each Borrower are adequate (determined in accordance with GAAP) and are at least equal to such Borrower's liability for Taxes. There exists no proposed Tax assessment against any Borrower except as disclosed in Schedule 4.9. All Taxes that each Borrower is or was required by Legal Requirements to withhold or collect have been duly withheld or collected and, to the extent required, have been paid to the proper Governmental Body or other Person.

4.10 Employee Benefits. No member of the ERISA Group has ever had any liability, nor has it ever made a contribution, to any Plan subject to the minimum funding standards of IRC §412, or to any Multiemployer Plan. Each Plan sponsored by, or contributed to, any member of the ERISA Group which is intended to be qualified under IRC §401(a) is so qualified. Each Plan and Benefit Arrangement has been operated and administered, in all material respects, in compliance with all applicable Legal Requirements. The Borrowers have made all contributions and payments to all Plans and Benefit Arrangements which were due and payable through the date hereof.

4.11 Compliance; Governmental Authorizations.

a. Except for liabilities expressly assumed by Holdings or the Network Operating Company in connection with the Network Transactions and except as set forth in Schedule 4.11:

(i) each Borrower is, and at all times has been, in full compliance with each Legal Requirement and each Governmental Authorization that is or was applicable to it or to the conduct or operation of its business or the ownership or use of any of its assets;

(ii) no event has occurred or circumstance exists that (with or without notice or lapse of time) (A) may constitute or result in a violation by any Borrower of, or a failure on the part of any Borrower to comply with, any Legal Requirement, or (B) may give rise to any obligation on the part of any Borrower to undertake, or to bear all or any portion of the cost of, any remedial action of any nature; and

(iii) no Borrower has received any notice or other communication (whether oral or written) from any Governmental Body or any other Person regarding (A) any actual, alleged, possible, or potential violation of, or failure to comply with, any Legal Requirement or Governmental Authorization, or (B) any actual, alleged, possible, or potential obligation on the part of any Borrower to undertake, or to bear all or any portion of the cost of, any remedial action of any nature.

b. Schedule 4.11 contains a complete and accurate list of each Governmental Authorization held by each Borrower or that otherwise relates to the business of any Borrower as such business shall exist immediately after giving effect to the Network Transactions. Each Governmental Authorization listed or required to be listed in Schedule 4.11 is valid and in full force and effect. Except as set forth in Schedule 4.11:

(i) each Borrower is, and at all times has been, in full compliance with all of the terms and requirements of each Governmental Authorization identified or required to be identified in Schedule 4.11;

(ii) no event has occurred or circumstance exists that may (with or without notice or lapse of time, or both) (A) constitute or result directly or indirectly in a violation of, or a failure to comply with, any term or requirement of any Governmental Authorization listed or required to be listed in Schedule 4.11, or (B) result directly or indirectly in the revocation, withdrawal, suspension, cancellation, or termination of, or any modification to, any Governmental Authorization listed or required to be listed in Schedule 4.11;

(iii) no Borrower has received any notice or other communication (whether oral or written) from any Governmental Body or any other Person regarding (A) any actual, alleged, possible, or potential violation of, or failure to comply with, any term or requirement of any Governmental Authorization, or (B) any actual, proposed, possible, or potential revocation, withdrawal, suspension, cancellation, termination of, or modification to any Governmental Authorization; and

(iv) all applications required to have been filed for the renewal of the Governmental Authorizations listed or required to be listed in Schedule 4.11 or the transfer of the Governmental Authorizations listed or required to be listed in Schedule 4.11 have been duly filed on a timely basis with the appropriate Governmental Bodies, and all other filings required to have been made with respect to such Governmental Authorizations have been duly made on a timely basis with the appropriate Governmental Bodies.

The Governmental Authorizations listed in Schedule 4.11 collectively constitute all of the Governmental Authorizations necessary to permit each Borrower to lawfully conduct and operate its business in the manner in which such business is currently conducted and operated and to permit each Borrower to own and use its assets in the manner in which it currently owns and uses such assets in each case after giving effect to the Network Transactions.

4.12 Legal Proceedings; Orders.

a. Except as set forth in Schedule 4.12, there is no pending Proceeding (i) that has been commenced by or against any Borrower or that otherwise relates to or may affect the business of, or any of the assets owned or used by, any Borrower; or (ii) that challenges, or may have the effect of preventing, delaying, making illegal, or otherwise interfering with, any of the transactions contemplated by this Agreement. To the Borrowers' Knowledge, no such Proceeding has been Threatened, and no event has occurred or circumstance exists that may give rise to or serve as a basis for the commencement of any such Proceeding. The Borrowers have delivered to the Lender copies of all pleadings, correspondence, and other documents relating to each Proceeding listed in Schedule 4.12. The Proceedings listed in Schedule 4.12 will not have a Material Adverse Effect.

b. Except as set forth in Schedule 4.12, (i) there is no Order to which any Borrower, or any of the assets owned or used by any Borrower, is subject; and (ii) no Borrower is subject to any Order that relates to the business of, or any of the assets owned or used by, any of the Borrower.

c. Except as set forth in Schedule 4.12:

(i) each Borrower is, and at all times has been, in full compliance with all of the terms and requirements of each Order to which it, or any of the assets owned or used by it, is or has been subject;

(ii) no event has occurred or circumstance exists that may constitute or result in (with or without notice or lapse of time) a violation of or failure to comply with any term or requirement of any Order to which any of the Borrower, or any of the assets owned or used by any of the Borrower, is subject; and

(iii) no Borrower has received any notice or other communication (whether oral or written) from any Governmental Body or any other Person regarding any actual, alleged, possible, or potential violation of, or failure to comply with, any term or requirement of any Order to which any Borrower, or any of the assets owned or used by any Borrower, is or has been subject.

4.13 Absence of Certain Changes and Events. Except for the Network Transactions and except as set forth on Schedule 4.13, since June 30, 2001, there has not been any material adverse change in the business, operations, properties, prospects, assets, or condition of any Borrower, and no event has occurred or circumstance exists that may result in a Material Adverse Effect. No Borrower has taken, and none of them currently expects to take, any steps to seek protection pursuant to any bankruptcy law, nor does any Borrower have any Knowledge that its creditors intend to initiate involuntary bankruptcy proceedings or any actual Knowledge of any fact that would reasonably lead a creditor to do so.

4.14 Contracts; No Defaults.

a. Schedule 4.14(a) contains a complete and accurate list, and the Borrowers have delivered to the Lender true and complete copies, of (in each case after giving effect to the Network Transactions):

(i) each Contract relating to the business of each Borrower that involves performance of services or delivery of goods or materials by such Borrower of an amount or value in excess of $50,000;

(ii) each lease, rental or occupancy agreement, license, installment and conditional sale agreement, and other Contract relating to the business of any Borrower affecting the ownership of, leasing of, title to, use of, or any leasehold or other interest in, any real or personal property (except personal property leases and installment and conditional sales agreements having a value per item or aggregate payments of less than $50,000 and with terms of less than one year);

(iii) each joint venture, partnership, and other Contract (however named) involving a sharing of profits, losses, costs, or liabilities of any Borrower or, with respect to any Borrower's business, with any other Person;

(iv) each written warranty, guaranty, or other similar undertaking with respect to contractual performance extended by any Borrower or with respect to the any Borrower's business other than in the Ordinary Course of Business;

(v) each other Contract material to the business of any Borrower; and

(vi) each amendment, supplement, and modification (whether oral or written) in respect of any of the foregoing.

b. Except as set forth in Schedule 4.14(b), each Contract listed or required to be listed in Schedule 4.14(a) is in full force and effect and is valid and enforceable in accordance with its terms.

c. Except as set forth in Schedule 4.14(c):

(i) each Borrower is and has been in full compliance with all applicable terms and requirements of each Contract listed or required to be listed in Schedule 4.14(a);

(ii) each other party to each Contract listed or required to be listed in Schedule 4.14(a) is, to the Borrowers' Knowledge, in full compliance with all applicable terms and requirements of such Contract;

(iii) no event has occurred or circumstance exists that (with or without notice or lapse of time, or both) may contravene, conflict with, or result in a violation or breach of, or give any Borrower the right to declare a default or exercise any remedy under, or to accelerate the maturity or performance of, or to cancel, terminate, or modify, any Contract listed or required to be listed in Schedule 4.14(a); and

(iv) no Borrower has given to or received from any other Person, at any time since June 30, 1999, any notice or other communication (whether oral or written) regarding any actual, alleged, possible, or potential violation or breach of, or default under, any Contract listed or required to be listed in Schedule 4.14(a).

d. To the knowledge of the Borrowers, there are no renegotiations of, attempts to renegotiate, or outstanding rights to renegotiate any material amounts paid or payable to any Borrower or with respect to a Borrower's business under any Contracts listed or required to be listed on Schedule 4.14(a) with any Person, and no such Person has made written demand for such renegotiation.

4.15 Insurance.

a. The Borrowers have made available to the Lender true and complete copies of all policies of insurance to which any Borrower is a party or under which any

Borrower, or any director or officer of any Borrower, is or has been covered at any time within the five years preceding the date of this Agreement; copies of all pending applications for policies of insurance; and any statement by the auditor of any Borrower's financial statements with regard to the adequacy of such Borrower's coverage or of the reserves for claims.

b. Schedule 4.15(b) sets forth, by year, for the current policy year and each of the five preceding policy years, a summary of the loss experience under each of the foregoing policies and a statement describing each claim under any insurance policy for an amount in excess of $10,000.

c. Except as set forth on Schedule 4.15(c):

(i) all policies to which any Borrower is a party or that provide coverage to any Borrower, or any director or officer of any Borrower (A) are valid, outstanding and enforceable; (B) are issued by an insurer that is financially sound and reputable; (C) taken together, provide adequate insurance coverage for Borrowers' assets and the operations; (D) are sufficient for compliance with all Legal Requirements and Contracts to which any Borrower is a party or by which any of them is bound; (E) will continue in full force and effect following the consummation of the Loan; and (F) do not provide for any retrospective premium adjustment or other experienced-based liability on the part of any Borrower;

(ii) no Borrower has received any refusal of coverage or any notice that a defense will be afforded with reservation of rights, or any notice of cancellation or any other indication that any insurance policy is no longer in full force and effect or will not be renewed or that the issuer of any policy is not willing or able to perform its obligations thereunder;

(iii) each Borrower has paid all premiums due, and has otherwise performed all of its obligations under, each policy to which it is a party or that provides coverage to such Borrower or any of its directors or officers; and

(iv) each Borrower has given notice to each insurer of all material claims that may be insured thereby.

4.16 Environmental Matters. Except as set forth in Schedule 4.16:

a. Each Borrower is, and at all times has been, in full compliance with, and has not been and is not in violation of or liable under, any Environmental Law. No Borrower has or has any basis to expect, nor has any Borrower or any other Person for whose conduct a Borrower is or may be held to be responsible received, any actual or Threatened order, notice, or other communication from (i) any Governmental Body or private citizen acting in the public interest, or (ii) the current or prior owner or operator of any real property in which Borrower has or previously had an interest, of any actual or potential violation or failure to comply with any Environmental Law, or of any actual or Threatened obligation to undertake or bear the cost of any Environmental, Health, and Safety Liabilities with respect to any of the improvements on any such property or any other assets (whether real, personal, or mixed) in which any Borrower has or had an interest, or with respect to any property at or to which Hazardous Materials were generated, manufactured, refined, transferred, imported, used, or processed by any Borrower, or any other Person for whose conduct a Borrower is or may be held responsible, or from which

Hazardous Materials have been transported, treated, stored, handled, transferred, disposed, recycled, or received.

b. There are no Hazardous Materials present on or in the Environment at any real property in which a Borrower now has or had immediately prior to giving effect to the Network Transactions an interest directly or indirectly through a Subsidiary. No Borrower, or any other Person for whose conduct a Borrower is or may be held responsible has permitted or conducted, or is aware of, any Hazardous Activity conducted with respect to any such property or any other assets (whether real, personal, or mixed) in which any Borrower has or had an interest except in full compliance with all applicable Environmental Laws.

c. There has been no Release or, to Borrowers' Knowledge, threat of Release, of any Hazardous Materials at or from any property in which any Borrower has or had an interest or at any other location where any Hazardous Materials were generated, manufactured, refined, transferred, produced, imported, used, or processed.

d. The Borrowers have delivered to the Lender accurate and complete copies and results of any reports, studies, analyses, tests, or monitoring possessed or initiated by any Borrower pertaining to Hazardous Materials or Hazardous Activities in, on, or under any property in which any Borrower has or had an interest, or concerning compliance by any Borrower, or any other Person for whose conduct a Borrower is or may be held responsible, with Environmental Laws.

4.17 Labor Relations; Compliance. Since June 30, 1997, no Borrower has been or is a party to any collective bargaining or other labor Contract. Since June 30, 1997, there has not been, there is not presently pending or existing, and to the Borrowers' Knowledge there is not Threatened, (a) any strike, slowdown, picketing, work stoppage, or employee grievance process affecting any Borrower, (b) any Proceeding against or affecting any Borrower relating to the alleged violation of any Legal Requirement pertaining to labor relations or employment matters, including any charge or complaint filed by an employee or union with the National Labor Relations Board, the Equal Employment Opportunity Commission, or any comparable Governmental Body, or any organizational activity, or any labor or employment dispute against or affecting any Borrower or any Borrower's business, or (c) any application for certification of a collective bargaining agent affecting any Borrower. To the Borrowers' Knowledge, no event has occurred or circumstance exists that could provide the basis for any work stoppage or other labor dispute by employees of any Borrower. There is no lockout of any employees by any Borrower, and no such action is contemplated by any Borrower. Each Borrower has complied in all respects with all Legal Requirements relating to employment, equal employment opportunity, nondiscrimination, immigration, wages, hours, benefits, collective bargaining, the payment of social security and similar taxes, occupational safety and health, and plant closings. No Borrower is liable for the payment of any compensation, damages, taxes, fines, penalties, or other amounts, however designated, for failure to comply with any of the foregoing Legal Requirements.

4.18 Intellectual Property. The Borrowers own, or hold licenses in, all trademarks, trade names, copyrights, patents, patent rights, and licenses that are necessary to the conduct of their respective businesses as currently conducted after giving effect to the Network Transactions. Schedule 4.18 is a true, correct and complete listing of all material patents, patent

applications, registered trademarks, trademark applications and copyright registrations as to which any Borrower is the owner or exclusive licensee.

4.19 Certain Payments. Since June 30, 1997, no Borrower and no director, officer, agent, or employee of any Borrower, or to the Borrowers' Knowledge, any other Person associated with or acting for or on behalf of any Borrower, has directly or indirectly (a) made any contribution, gift, bribe, rebate, payoff, influence payment, kickback, or other payment to any Person, private or public, regardless of form, whether in money, property, or services (i) to obtain favorable treatment in securing business, (ii) to pay for favorable treatment for business secured, (iii) to obtain special concessions or for special concessions already obtained, for or in respect of any Borrower, (iv) in violation of any Legal Requirement, or (b) established or maintained any fund or asset that has not been recorded in the books and records of the Borrowers.

4.20 Broadcast Licenses; Operations of Stations. The Borrowers have operated the Stations in material compliance with the terms of the applicable Broadcast License and of the Communications Act. Each Borrower has timely filed or made all applications, reports and other disclosures required by the FCC to be made with respect to the Stations and has timely paid all FCC regulatory fees with respect thereto. Each Borrower has and is the authorized legal holder of, all Broadcast Licenses necessary or useful in the operation of the business of each Borrower as presently operated. All of the Broadcast Licenses are validly held and are in full force and effect, unimpaired by any act or omission of any Borrower or, to the Borrowers' Knowledge, their respective predecessors, or their respective directors, officers, employees or agents. Except as set forth in Schedule 4.20, no application or Proceeding is pending for the renewal of any Broadcast License and, to the Borrowers' Knowledge, there is no Proceeding before the FCC, no notice of violation or no Order of forfeiture relating to any Station, and no Borrower has Knowledge of any basis that could reasonably be expected to cause the FCC not to renew any Broadcast License (other than Proceedings to amend FCC rules or the Communications Act of general applicability to the television broadcast industry). There is not pending and, to the Borrowers' Knowledge, there is not Threatened, any action by or before the FCC to revoke, suspend, cancel, rescind, fail to renew, or modify in any material respect any Broadcast License (other than Proceedings to amend FCC rules or the Communications Act of general applicability to the television broadcast industry).

4.21 Relationships with Affiliates. Except as set forth on Schedule 4.21, neither a Borrower nor any Affiliate of a Borrower has, or since June 30, 1999 has had, any interest in any property (whether real, personal, or mixed and whether tangible or intangible), used in or pertaining to the business of the Borrowers. Neither a Borrower nor any Affiliate of a Borrower is, or since June 30, 1999 has owned (of record or as a beneficial owner) an equity interest or any other financial or profit interest in, a Person that has (a) had business dealings or a material financial interest in any transaction with a Borrower other than business dealings or transactions conducted in the Ordinary Course of Business with a Borrower at substantially prevailing market prices and on substantially prevailing market terms, or (b) engaged in competition with a Borrower with respect to the business of the Borrowers. Except as set forth in Schedule 4.21, no Borrower is a party to any Contract with, or has any claim or right against any other Borrower and no Affiliate of a Borrower is a party to any Contract with, or has any claim or right against, a Borrower.

4.22 State of Incorporation; Location of Chief Executive Office; FEIN; Organizational I.D. The state of incorporation, chief executive office and FEIN and organizational identification numbers of each of the Borrowers is as set forth in Schedule 4.22.

4.23 Brokerage Fees. The Borrowers have not utilized the services of any broker or finder in connection with this Agreement, and no brokerage commission or finder's fee is payable by the Borrowers in connection with this Agreement.

4.24 Disclosure. No representation or warranty of any Borrower in this Agreement (including the Schedules) omits to state a material fact necessary to make the statements herein or therein, in light of the circumstances in which they were made, not misleading. There is no fact known to any Borrower that has specific application to such Borrower (other than general economic or industry conditions) and that materially adversely affects or, as far as any Borrower can reasonably foresee, materially threatens, the assets, business, prospects, financial condition, or results of operations of any Borrower that has not been set forth in this Agreement or the Schedules.

SECTION 5
AFFIRMATIVE COVENANTS

So long as this Agreement is in effect or the Loan or any other Obligation of the Borrowers to the Lender is outstanding, the Borrowers shall, jointly and severally:

5.1 Promptly pay when due the principal and interest on the Note;

5.2 Furnish or cause to be furnished to the Lender, with respect to each Borrower:

a. not later than 30 days following the end of each fiscal quarter, in form and substance satisfactory to the Lender:

(i) an unaudited income statement for the period and fiscal year to date and copies of statements for the same periods of the previous year;

(ii) an unaudited balance sheet as of the end of such period and copies of statements for the same period of the previous year;

(iii) a certificate from the chief financial officer stating that the above financial statements are complete and correct and fairly represent the financial position of such Borrower as of their respective dates and the results of the respective Borrower's operations for the periods then ended;

(iv) a certificate from the Chief Financial Officer certifying that there exists no condition, event or act which with notice of lapse of time could constitute an Event of Default, or any condition, event or act which could materially and adversely affect the financial condition or operations of such Borrower, or, if any such condition, event or act exists, specifying the nature and status thereof (A) that such Borrower has complied with and is then in compliance with all terms and covenants of this Agreement, and (B) that there exists no Event of Default as defined in this Agreement and no event which, with the giving of notice or the lapse of time would constitute such an Event of Default; and

b. not later than 90 days following the end of each fiscal year of each Borrowers, in form and substance satisfactory to the Lender:

(i) complete audited financial statements for such Borrower for such fiscal year, certified by Deloitte & Touche or another comparable independent certified public accounting firm reasonably acceptable to the Lender, with an opinion not significantly qualified in the Lender's opinion; and

(ii) a certificate from the Chief Financial Officer certifying that there exists no condition, event or act which with notice of lapse of time could constitute an Event of Default, or any condition, event or act which could materially and adversely affect the financial condition or operations of such Borrower, or, if any such condition, event or act exists, specifying the nature and status thereof (A) that such Borrower has complied with and is then in compliance with all terms and covenants of this Agreement, and (B) that there exists no Event of Default as defined in this Agreement and no event which, with the giving of notice or the lapse of time would constitute such an Event of Default

5.3 At all times maintain all of the Borrowers' properties, real and personal, tangible and intangible, in good order and working condition and from time to time make necessary repairs, renewals and replacements thereto in order that such properties shall be preserved and maintained fully and efficiently and, in addition, maintain and protect any permit, patent, trademark, trade name or other rights that any Borrower may possess or under which any Borrower may operate and that are material to any Borrower's business;

5.4 Keep all insurable property, real and personal, of the Borrowers insured with responsible insurance companies against loss or damage by fire, tornado or windstorm and against such other hazards or liabilities as are commonly insured against by companies operating the same or comparable businesses, with each policy naming the Lender as an additional insured. Such insurance shall be kept in reasonable amounts based on past practices as the Lender may require and in any event in an amount equal to at least 100% of the replacement value of such property. Copies of all such policies shall be delivered to the Lender and shall not be subject to cancellation or modification without at least 30 days' prior written notice to the Lender. In addition thereto, the Borrowers shall carry liability insurance on account of injury to persons or property and in respect of use and occupancy, including business interruption, in such reasonable amounts as the Lender may require. Such insurance may be carried under blanket policies applicable to more than one entity;

5.5 Take all action necessary to preserve the corporate existence, foreign qualification where necessary and applicable, and the right to continue business of the Borrowers, and operate within the limitations set forth under each Borrower's Organizational Documents, and under the applicable Legal Requirements;

5.6 Pay and discharge all Taxes imposed upon any of them or upon any of their income or profits, or upon any property belonging to any of them, prior to the date on which penalties attach thereto, provided that the Borrowers will not be required to pay such tax, assessments, charges or levies, the payment of which is being contested in good faith and by proper proceedings;

5.7 Promptly give notice (together with copies of any order or notice received by any Borrower) to the Lender of:

a. the imminent threat or commencement of Proceedings against any Borrower wherein the amount claimed or the amount of all claims in the aggregate exceeds $100,000 unless such claim or claims are insured under policies conforming to the requirements of Section 5.4 or are funded by reserves established in accordance with GAAP;

b. any notification from the Internal Revenue Service or U.S. Department of Labor of any material noncompliance by a Borrower or any member of the ERISA Group with applicable Legal Requirements regarding any of Plans or Benefit Arrangements;

c. with respect to any Borrower, any condition, event or act which constitutes an Event of Default, or which, with the giving of notice or lapse of time, or both, would constitute an Event of Default, by delivering to the Lender the certificate of the chief financial officer of such Borrower specifying such condition, event or act, the period of existence thereof, and what action such Borrower proposes to take with respect thereto;

d. any change of name, address, identity or corporate structure of any Borrower;

e. with respect to any Borrower, any uninsured or partially uninsured loss through fire, theft, liability or property damage in excess of $100,000 in the aggregate during any fiscal year of such Borrower;

f. any other event or fact that may materially and adversely affect the financial or operating condition of any Borrower or any Collateral; or

g. as soon as practicable after the receipt thereof, and in any event within ten business days after the issuance thereof:

(i) any order or notice of the FCC, a court of competent jurisdiction, or any other Governmental Body which designates any Broadcast License of any Borrower or any application therefor for a hearing, or which refuses renewal or extension of any such Broadcast License, or revokes or suspends the authority of any Borrower to operate a Station;

(ii) a copy of any competing application filed against any Broadcast License of any Borrower or any application therefor;

(iii) copies of any citation, notice of violation or order to show cause from the FCC, or any material complaint filed by or with the FCC, in each case, in connection with any Borrower; and

(iv) a copy of any notice or application by any Borrower requesting authority to cease broadcasting on any Station for any period in excess of 48 hours.

5.8 Pay when due all rent and other amounts payable under any leases to which any Borrower is a party or by which any Borrower or its properties or assets are bound;

5.9 Comply in all material respects with all applicable Environmental Laws and obtain and comply in all material respects with and maintain any and all licenses, approvals, notifications, registrations and permits required by applicable Environmental Laws; and

5.10 Provide the Lender promptly upon their becoming available, and in any event within five days after the receipt of the filing thereof by a Borrower, with copies of (i) any periodic or special reports filed by any Borrower with any Governmental Body, if such reports indicate any event or occurrence that could have a Material Adverse Effect or if copies are requested by the Lender and (ii) any material notices and other material communications from any Governmental Body which relate specifically to a Borrower or any Broadcast License.

SECTION 6
NEGATIVE COVENANTS

So long as this Agreement remains in effect or any Borrower has any Obligations to the Lender, no Borrower shall without the prior written consent of the Lender:

6.1 Grant any security interest in, or permit the imposition of any Encumbrance upon, any of its properties or assets used or useful in the conduct or operation of the Stations or the Pledged Stock, including without limitation the Collateral, except for those in existence as of the date hereof which are set forth on Schedule 6.1;

6.2 Purchase, redeem or exchange for cash any of its outstanding Stock or declare or pay, during any fiscal year, any dividend in cash, stock or other property except that any Subsidiary Borrower may pay a dividend to another Borrower and, so long as no Event of Default has occurred, SATH may make dividends to its shareholders as required by the terms of any of its issued and outstanding stock and otherwise at its election consistent with its historical practices;

6.3 Lease, license, or Transfer any of its properties or assets used or useful in the conduct or operations of the Stations, including, without limitation, the Collateral, other than (i) in the Ordinary Course of Business; (ii) as permitted by and subject to the prepayment repayments of Section 1.2; or (iii) in connection with a Transfer from any Borrower of the interest in the Borrower's Broadcast License to any other Person who will own and control the Broadcast License of that Borrower, provided that such Person will execute and deliver any and all documentation and instruments (including, without limitation, this Agreement or an amendment hereto) to evidence that such Person will serve as a Borrower with respect to the Loan and the Obligations.

6.4 Consolidate with or merge with or into any other Person or reorganize, or, solely with respect to the Subsidiary Borrowers, issue any additional shares of common or preferred stock, acquire all or substantially all of the assets of any other Person, or acquire the Stock of or an ownership interest in any other Person;

6.5 Solely with respect to the Subsidiary Borrowers, assume, guarantee, or become contingently liable upon any obligation or Indebtedness of SATH, any Affiliate or any other Person;

6.6 Solely with respect to the Subsidiary Borrowers, create any Indebtedness to SATH, any Affiliate any other Person, except for short-term trade accounts payable and endorsements of checks, drafts, and other negotiable instruments incurred in the Ordinary Course of Business;

6.7 Solely with respect to the Subsidiary Borrowers, make any loan or loans, advance or advances, or investment or investments to, in or with SATH, any Affiliate or any other Person;

6.8 Prepay, or cause to be prepaid, or become obligated to prepay any Indebtedness other than in accordance with its stated maturity, except Indebtedness incurred pursuant to this Agreement;

6.9 Change the nature of, suspend or cease all of any portion of the business of any Subsidiary Borrower currently being conducted, or suspend or cease a material portion of the business or SATH as currently being conducted after giving effect to the Network Transactions, or change its name, FEIN, organizational identification number, date of incorporation, or corporate structure or identity, or add any new fictitious name;

6.10 Take any action that permits, or after notice or lapse of time or both would permit, revocation or termination of any Broadcast License;

6.11 Modify or change its method of accounting (other than as may be required to conform to GAAP);

6.12 Enter into or permit to exist, directly or indirectly, any transaction with any Affiliate of such Borrower except for transactions in the Ordinary Course of Business, upon fair and reasonable terms that are disclosed to the Lender and that are no less favorable to the Borrower than would be obtained in an arm's length transaction with a non-Affiliate; or

6.13 Use the Loan proceeds for any purpose other than the purpose specified in Section 1.3.

SECTION 7
DEFAULT — RIGHTS OF THE LENDER

7.1 Events of Default. Any one or more of the following events will constitute an event of default (each, an "Event of Default") under this Agreement:

a. Default in any payment required to be made under the Note, or in any other Obligation within five (5) days after the same shall become due;

b. Default in any payment of principal or of interest on any other obligation for borrowed money beyond any period of grace provided with respect thereto (except for amounts less than $100,000 that are disputed by the Borrowers in good faith) or in the performance of any other agreement, term or condition contained in any agreement including without limitation, financing leases under which any such obligation is created, if the effect of such default is to cause such obligation to become due or to entitle the holder to declare such obligation due prior to its date of maturity or, in the case of financing leases, to enable the lessor to exercise remedies arising only upon the occurrence of default;

c. Any representation or warranty made by any Borrower herein or in any writing subsequently furnished in connection with or pursuant to this Agreement is false in any material respect on the date as of which executed or delivered to the Lender;

d. Default in the performance or observance of any other covenant, term or condition or agreement contained herein or any of the other Loan Documents, if such default shall not have been remedied within 30 days after determination of the existence thereof by a Borrower or within 30 days after written notice thereof is delivered to a Borrower by the Lender, whichever is earlier, except defaults as to payments as set forth in Sections 7.1(a) and (b), or by misrepresentation or warranty breach as set forth in Section 7.1(c), as to which no notice need be given;

e. Any Borrower or Affiliate of a Borrower breaches or is in default under any provision, term or condition provided under any agreements between the Lender or any Affiliate of the Lender, on the one hand, and a Borrower or an Affiliate of a Borrower, on the other hand;

f. Any Broadcast License necessary for the operation of the Stations is terminated, forfeited or revoked or fails to be renewed for any reason whatsoever, or, for any other reason, any Borrower at any time fails to be a licensee under any of the Broadcast Licenses or otherwise fails to have all required authorizations, licenses and permits to construct, own, operate or promote any Station pursuant to any Broadcast License;

g. Any Borrower loses, fails to keep in force, suffers the termination or revocation or non-renewal of, or terminates, forfeits or suffers a material adverse amendment to any Broadcast License used by it in connection with any Station, or any Proceeding is commenced against a Borrower that is reasonably likely to result in such loss, termination or non-renewal, provided that an Event of Default will not be deemed to exist if a Broadcast License is not renewed but is replaced prior to its expiration by another Broadcast License authorizing substantially the same operations as the non-renewed Broadcast License;

h. (i) The directors or shareholders of any Borrower approve a merger or consolidation that results in the shareholders of such Borrower immediately prior to the transaction giving rise to the consolidation or merger owning less than 50% of the total combined voting power of all classes of stock entitled to vote of the surviving entity immediately after the consummation of the merger or consolidation; (ii) the directors or shareholders of any Borrower approve the sale of substantially all of the assets of such Borrower or the liquidation or dissolution of such Borrower; (iii) any person or entity (other than another Borrower) purchases any shares (or securities convertible into shares) of a Borrower pursuant to a tender or exchange offer without the prior consent of such Borrower's board of directors or becomes the beneficial owner of securities of such Borrower representing 25% or more of the voting power of the Borrower's outstanding securities; (iv) during any two-year period, individuals who at the beginning of such period constitute the entire board of directors of any Borrower cease to constitute a majority of the board of directors of such Borrower, unless the election or the nomination for election of each new director is approved by at least two-thirds of the directors then still in office who were directors at the beginning of that period; or (v) any third party acquires the power to direct or cause the direction of management or policies of any Borrower through the ownership of securities, contract or otherwise;

i. Any Borrower makes an assignment for the benefit of creditors; or any Borrower applies to any tribunal for the appointment of a trustee or receiver for such Borrower or of any substantial part of such Borrower's assets; or any Borrower commences any Proceeding relating to such Borrower under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction; or any such petition or application is filed or any such proceedings are commenced and such Borrower by any act indicates its approval thereof, consent thereto, or acquiescence therein; or an order is entered appointing any trustee or receiver, or adjudicating any such Borrower bankrupt or insolvent, or approving the petition in any such proceeding;

j. Any Order entered in any Proceeding against any Borrower decrees the dissolution or split-up of such Borrower;

k. Any Borrower is enjoined, restrained or in any way prevented by Order from continuing to conduct all or any material part of its business;

l. This Agreement or any other Loan Document that purports to create the Security Interest, for any reason, fails or ceases to create a valid and perfected first priority Security Interest on any of the Collateral; or

m. A notice of Encumbrance is filed of record with respect to any Borrower's assets by any Governmental Authority, or if any Taxes owing to any Governmental Authority become an Encumbrance upon any assets of a Borrower.

7.2 Lender's Rights and Remedies. Upon the occurrence of an Event of Default, the Lender, at its option, may (a) declare the Obligations immediately due and payable, without presentment, notice, protest or demand of any kind for the payment of all or any part of the Obligations (all of which are expressly waived by the Borrowers) and exercise all of its rights and remedies against the Borrowers and any Collateral provided herein, in any other Loan Document, or in any other agreement between any Borrower and the Lender, at law or in equity, and (b) exercise all rights granted to a secured party under the UCC or otherwise. Upon the occurrence of an Event of Default, the Lender may take possession of the Collateral, or any part thereof, and the Borrowers hereby grant the Lender authority to enter upon any premises on which the Collateral may be situated, and remove the Collateral from such premises or use such premises together with the Borrowers' materials, supplies, books and records, to maintain possession and/or the condition of the Collateral and to prepare the Collateral. The Borrowers shall, upon the Lender's demand, assemble the Collateral and make it available at a place designated by the Lender which is reasonably convenient to the Lender. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, the Lender shall give the Borrowers reasonable notice of the time and place of any public sale thereof or of the time after which any private sales or other intended disposition thereof is to be made. The requirement of reasonable notice will be met if such notice is mailed, postage prepaid, to Borrowers at least ten days prior to the time of such sale or disposition. If the Lender sells any of the Collateral upon credit, the Borrowers will be credited only with payments actually made by the purchaser, peceived by the Lender and applied to the Obligations. If the purchaser fails to pay for the Collateral, the Lender may resell the Collateral and the Borrowers will be credited with the proceeds therefrom. Notwithstanding the foregoing, upon the filing by or against any Borrower of any petition under any provision of the United

States Bankruptcy Code (and in the case of an involuntary action, which remains unvacated for 45 days), the Lender may take the actions described above in clauses (a) and (b).

SECTION 8
DEFINITIONS

As used herein, the following terms shall have the meanings herein specified:

8.1 “1934 Act” means the Securities Act of 1934, as amended, or any successor law, and rules and regulations issued pursuant thereto.

8.2 “Affiliate” means, with respect to any Person, any other Person (i) that directly, or indirectly through one or more intermediaries, controls or is controlled by or is under common control with such Person, (ii) that is a general partner, director, manager, trustee or principal officer of, or a limited partner owning more than 10% of, or that serves in a similar capacity with respect to, such Person, or (iii) of which such Person is a general partner, director, manager, trustee or principal officer or a limited partner owning more than 10% of, or with respect to which such Person serves in a similar capacity. For purposes of this definition, “control” means the possession, directly or indirectly, of the power to direct or to cause the direction of the management or policies of the Person in question through the ownership of voting securities or by contract or otherwise. Solely for purposes of this Agreement, Holdings and Network Operating Company will be deemed to be Affiliates of the Lender but not Affiliates of any Borrower.

8.3 “Agreement” is defined in the introductory paragraph.

8.4 “Benefit Arrangement” means an employee benefit plan within the meaning of ERISA §3(3) that is not a Plan or Multiemployer Plan.

8.5 “Borrower” is defined in the introductory paragraph.

8.6 “Broadcast License” means any license, permit, authorization or certificate now or hereafter held by any Borrower (including without limitation the Broadcast Licenses listed on Schedule 8.6) to construct, own, operate or program any Station that is or has been granted by the FCC or any other Governmental Body, and all extensions, additions and renewals thereto or thereof.

8.7 “Collateral” means all of the Borrowers’ respective right title and interest, whether now owned or hereafter acquired, in and to each of the following to the extent it relates to the Stations: accounts; chattel paper; inventory; equipment; instruments; investment property; documents; letter of credit rights; general intangibles (including without limitation payment intangibles); commercial tort claims identified in Schedule 8.7; supporting obligations; real property; rights under any leases for real property; all of the Borrowers’ respective rights under all present and future Governmental Authorizations heretofore or hereafter granted to any Borrower for the ownership or operation of the Stations, including the Broadcast Licenses; and to the extent not listed above as original collateral (and without regard to Section 2.5), all proceeds and products of the any of the foregoing. “Collateral” also includes all of the Pledged Stock.

8.8 “Collateral Assignments of Leases” means the agreements, whether collateral assignments or leasehold mortgages or deeds of trust, whereby the Borrowers assign to the Lender all of their respective interests in leases used or useful in the operation of the Stations.

8.9 “Communications Act” means the Federal Communications Act of 1934, as amended and the rules and regulations promulgated thereunder.

8.10 “Consent” means any approval, consent, ratification, waiver, or other authorization (including any Governmental Authorization).

8.11 “Contract” means any agreement, contract, obligation, promise, or undertaking (whether written or oral and whether express or implied).

8.12 “ERISA” means the Employee Retirement Income Security Act of 1974, as amended and any successor statute.

8.13 “ERISA Group” means the Borrowers and all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the Borrowers, are treated as a single employer with the Borrowers under IRC §414.

8.14 “Encumbrance” means any charge, claim, community property interest, condition, equitable interest, lien, option, pledge, security interest, right of first refusal, or restriction of any kind, including any restriction on use, voting, transfer, receipt of income, or exercise of any other attribute of ownership.

8.15 “Environment” means soil, land surface or subsurface strata, surface waters (including navigable waters, ocean waters, streams, ponds, drainage basins, and wetlands), groundwater, drinking water supply, stream sediments, ambient air (including indoor air), plant and animal life, and any other environmental medium or natural resource.

8.16 “Environmental, Health, and Safety Liabilities” means any cost, damages, liability or other obligation arising under Environmental Law or Occupational Safety and Health Law and consisting of or relating to (a) any environmental, health, or safety matters or conditions (including on-site or off-site contamination, occupational safety and health, and regulation of chemical substances or products); (b) fines, penalties, judgments, awards, settlements, legal or administrative proceedings, damages, losses, claims, demands and response, investigative, remedial, or inspection costs and expenses arising under Environmental Law or Occupational Safety and Health Law; (c) financial responsibility under Environmental Law or Occupational Safety and Health Law for cleanup costs or corrective action, including any investigation, cleanup, removal, containment, or other remediation or response actions (“Cleanup”) required by applicable Environmental Law or Occupational Safety and Health Law (whether or not such Cleanup has been required or requested by any Governmental Body or other Person) and for any natural resource damages; or (d) any other compliance, corrective, investigative, or remedial measures required under Environmental Law or Occupational Safety and Health Law. The terms “removal,” “remedial,” and “response action” include the types of activities covered by the U.S. Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §9601 et seq., as amended.

8.17 “Environmental Law” means any Legal Requirement that requires or relates to: (a) advising appropriate authorities, employees, and the public of pntended or actual releases of pollutants or hazardous substances or materials, violations of discharge limits, or other prohibitions and of the commencements of activities that could have significant impact on the Environment; (b) preventing or reducing to acceptable levels the release of pollutants or hazardous substances or materials into the Environment; (c) reducing the quantities, preventing the release, or minimizing the hazardous characteristics of wastes that are generated; (d) assuring that products are designed, formulated, packaged, and used so that they do not present unreasonable risks to human health or the Environment when used or disposed of; (e) protecting resources, species, or ecological amenities; (f) reducing to acceptable levels the risks inherent in the transportation of hazardous substances, pollutants, oil, or other potentially harmful substances; (g) cleaning up pollutants that have been released, preventing the threat of release, or paying the costs of such clean up or prevention; or (h) making responsible parties pay private parties for damages done to their health or the Environment, or permitting self-appointed representatives of the public interest to recover for injuries done to public assets.

8.18 “Event of Default” is defined in Section 7.1.

8.19 “FCC” means the Federal Communications Commission.

8.20 “Financial Projections” is defined in Section 4.4(c).

8.21 “Financing Statements” is defined in Section 2.4(a).

8.22 “GAAP” means generally accepted United States accounting principles, applied on a consistent basis.

8.23 “Governmental Authorization” means any approval, consent, license, permit, waiver, or other authorization issued, granted, given, or otherwise made available by or under the authority of any Governmental Body or pursuant to any Legal Requirement.

8.24 “Governmental Body” means any: (a) nation, state, county, city, town, village, district, or other jurisdiction of any nature; (b) federal, state, local, municipal, foreign, or other government; (c) governmental or quasi-governmental authority of any nature (including any governmental agency, branch, department, official, or entity and any court or other tribunal); (d) multi-national organization or body; or (e) body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory, or taxing authority or power of any nature.

8.25 “Hazardous Activity” means the distribution, generation, handling, importing, management, manufacturing, processing, production, refinement, Release, storage, transfer, transportation, treatment, or use (including any withdrawal or other use of groundwater) of Hazardous Materials in, on, under, about, or from any real property in which any Borrower has or had an interest into the Environment, and any other act, business, operation, or thing that increases the danger, or risk of danger, or poses an unreasonable risk of harm to persons or property on or off any real property in which any Borrower has or had an interest, or that may affect the value of any real property in which any Borrower has or had an interest or the Borrowers.

8.26 “Hazardous Materials” means any waste or other substance that is listed, defined, designated, or classified as, or otherwise determined to be, hazardous, radioactive, or toxic or a pollutant or a contaminant under any Environmental Law, including any admixture or solution thereof.

8.27 “Holdings” is defined in Section 1.2.

8.28 “Indebtedness” means (i) all indebtedness for borrowed money, including without limitation the Loan; (ii) all obligations evidenced by bonds, debentures, notes or other similar instruments; (iii) all other obligations upon which interest or finance charges are customarily paid; (iv) all obligations arising under conditional sale or other title retention agreements (including any lease capitalized in accordance with generally accepted accounting principles) with respect to property acquired; (v) all indebtedness and obligations of the foregoing types which are secured by property of a person (whether or not such indebtedness shall have been assumed by such person); and (vi) all indebtedness and obligations of the foregoing types which are guaranteed by such person.

8.29 “IRC” means the Internal Revenue Code of 1986 or any successor law, and regulations issued by the Internal Revenue Service pursuant thereto.

8.30 “KCNS” is defined in the introductory paragraph.

8.31 An individual will be deemed to have “Knowledge” of a particular fact or matter if he or she is actually aware of such fact or matter or if a prudent individual could be expected to discover or otherwise become aware of such fact or matter in the course of conducting a reasonably comprehensive investigation concerning the existence of such fact or matter. A Person other than an individual will be deemed to have “Knowledge” of a particular fact or matter if any individual who is serving as a director, executive officer, member, governor, manager (with respect to a partnership or limited liability company, partner, executor, or trustee of such Person (or in any similar capacity) has, or at any time had, Knowledge of such fact or matter in accordance with the preceding sentence.

8.32 “Legal Requirement” means any order, constitution, law, ordinance, principle of common law, regulation, statute, or treaty of any Governmental Body.

8.33 “Lender” is defined in the introductory paragraph.

8.34 “Loan” is defined in Section 1.1.

8.35 “Loan Documents” means this Agreement, the Note and any other document executed by any party in connection with this Agreement, as each may be amended, supplemented or modified from time to time.

8.36 “Material Adverse Effect” means (a) a material adverse effect on the business, properties, prospects, operations, results of operations, assets, liabilities or condition (financial or otherwise) of any Borrower, (b) a material impairment of any Borrower’s ability to perform its Obligations or of the Lender’s ability to enforce the Obligations or realize upon the Collateral or (c) a material impairment of the enforceability or priority of the Security Interest with respect to the Collateral as a result of an action or a failure to act on the part of any Borrower.

8.37 “Multiemployer Plan” means an employee pension benefit plan within the meaning of ERISA §4001(a)(3).

8.38 “Net Proceeds” means the aggregate proceeds paid in cash or other readily available funds received by any or all of the Borrowers in exchange for the Transfer of a Station, net of (a) reasonable costs and expenses relating to the Transfer of the Station and actually incurred (including, without limitation, reasonable legal and accounting fees, and customary agent, broker or finder commissions), and (b) all Taxes paid or payable as a result of the Transfer of the Station, including but not limited to any transfer or conveyance taxes actually incurred by the Borrowers solely to the extent that they arise from the Transfer of the Station and in any event after giving effect of any applicable net operating loss carry forward with respect to such Tax liability.

8.39 “Network Operating Company” is defined in Section 1.2.

8.40 “Network Partnership Agreements” is defined in Section 1.2.

8.41 “Network Transactions” is defined in Section 4.2(b).

8.42 “Note” is defined in Section 1.1.

8.43 “Obligations” means the Borrowers’ obligation to repay the Loan together with all other obligations of the Borrowers to the Lender under this Agreement, the other Loan Documents or any other agreements among the Parties.

8.44 “Occupational Safety and Health Law” means any Legal Requirement designed to provide safe and healthful working conditions and to reduce occupational safety and health hazards, and any program, whether governmental or private (including those promulgated or sponsored by industry associations and insurance companies), designed to provide safe and healthful working conditions.

8.45 “Order” means any award, decision, injunction, judgment, order, ruling, subpoena or verdict entered, issued, made, or rendered by any court, administrative agency or other Governmental Body or by any arbitrator.

8.46 “Ordinary Course of Business” means an action taken by a Person only if: (a) such action is consistent with the past practices of such Person and is taken in the ordinary course of such Person’s normal day-to-day operations; (b) such action is not required to be authorized by such Person’s board of directors (or by any Person or group of Persons exercising similar authority) and is not required to be specifically authorized by such Person’s parent company (if any) or other equity holders; and (c) such action is similar in nature and magnitude to actions customarily taken, without any authorization by the board of directors (or by any Person or group of Persons exercising similar authority), in the ordinary course of the normal day-to-day operations of other Persons that are in the same line of business as such Person.

8.47 “Organizational Documents” means (a) the charter or articles or certificate of incorporation and bylaws or code of regulations of a corporation; (b) any charter or similar

document adopted or filed in connection with the creation, formation, or organization of any other Person; and (c) any amendment to any of the foregoing.

8.48 “Person” means any individual, corporation (including any non-profit corporation), general or limited partnership, limited liability company, joint venture, estate, trust, association, organization, labor union, or other entity or Governmental Body.

8.49 “Plan” means any employee pension benefit plan (other than a Multiemployer Plan) which is covered by the Title IV of ERISA or subject to the minimum funding standards under IRC §412.

8.50 “Pledge Agreements” means stock pledge agreements in form and substance satisfactory to the Lender executed and delivered by SATH to the Lender with respect to the pledge by SATH of all Stock (including, in the case of the Network Operating Company, the membership interests) of WOAC, WMFP, KCNS, Holdings, the Network Operating Company, and any other Person owning and/or controlling the Broadcast Licenses for WOAC, WMFP, and KCNS held by SATH and executed an delivered by WOAC, WMFP and KCNS to the Lender with respect to the pledge by WOAC, WMFP and KCNS of all Stock of SAH License or any other Person owning and/or controlling the Broadcast Licenses for WOAC, WMFP and KCNS.

8.51 “Pledged Stock” means the Stock subject to the Pledge Agreements.

8.52 “Pro Forma Financial Statements” is defined in Section 4.4(b).

8.53 “Proceeding” means any action, arbitration, audit, hearing, investigation, litigation, or suit (whether civil, criminal, administrative, investigative, or informal) commenced, brought, conducted, or heard by or before, or otherwise involving, any Governmental Body or arbitrator.

8.54 “Release” means any spilling, leaking, emitting, discharging, depositing, escaping, leaching, dumping, or other releasing into the Environment, whether intentional or unintentional.

8.55 “SAH License” is defined in the introductory paragraph.

8.56 “SATH” is defined in the introductory paragraph.

8.57 “Scripps Network” is defined in Section 1.2.

8.58 “SEC” means the U.S. Securities and Exchange Commission or any successor agency.

8.59 “SEC Documents” is defined in Section 4.4.

8.60 “Security Interest” is defined in Section 2.1.

8.61 “Share Purchase Agreement” is defined in Section 3.3.

8.62 “Stations” means WOAC (TV) in Canton, Ohio; KCNS (TV) in San Francisco, California; and WMFP (TV) in Lawrence, Massachusetts.

8.63 “Stock” means all shares, options, warrants, interests, partnerships or other equivalents (regardless of how designated) of or in a Person, whether voting or nonvoting, including without limitation common stock, preferred stock, partnership interest, limited liability company membership interest or any other “equity securities” (as defined in Rule 3a11-1 of the General Rules and Regulations promulgated by the SEC under the 1934 Act).

8.64 “Subsidiary Borrowers” means KCNS, WMFP, and SAH License.

8.65 “Tax” means (a) any net income, alternative or add-on minimum tax, gross income, gross receipts, sales, use, ad valorem, value added, franchise, profits, license, withholding on amounts paid to or by any of the Borrowers, payroll, employment, excise, severance, stamp occupation, premium, property, environmental or windfall profit tax, custom, duty or other tax, governmental fee or other like assessment or charge of any kind whatsoever, together with any interest or any penalty, addition to tax or additional amount imposed by any Governmental Body responsible for the imposition of any such tax (domestic or foreign), (b) any liability of any Borrower for the payment of any amounts of the type described in clause (a) as a result of being a member of an affiliated, consolidated, combined or unitary group for any period prior to the Closing, and (c) any liability of any Borrower for the payment of any amounts of the type described in clause (a) as a result of any express or implied obligation to indemnify any other Person.

8.66 “Tax Return” means any return (including any information return), report, statement, schedule, notice, form, or other document or information filed with or submitted to, or required to be filed with or submitted to, any Governmental Body in connection with the determination, assessment, collection, or payment of any Tax or in connection with the administration, implementation, or enforcement of or compliance with any Legal Requirement relating to any Tax.

8.67 A claim, proceeding, dispute, action, or other matter will be deemed to have been “Threatened” if any demand or statement has been made (orally or in writing) or any notice has been given (orally or in writing), or if any other event has occurred or any other circumstances exist, that would lead a prudent Person to conclude that such a claim, Proceeding, dispute, action, or other matter is likely to be asserted, commenced, taken, or otherwise pursued in the future.

8.68 “Transfer” is defined in Section 1.2.

8.69 “UCC” shall mean the Uniform Commercial Code as in effect on the date hereof in the State of Ohio; provided, however, that if by reason of mandatory provisions of law, any of the attachment, perfection or priority of the security interest in any item or portion of the Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of Ohio, “UCC” shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection.

8.70 “WOAC” is defined in the introductory paragraph.

8.71 “WMFP” is defined in the introductory paragraph.

8.72 All accounting and financial terms used in this Section and throughout this Agreement and not otherwise defined shall be determined in accordance with generally accepted accounting principles consistently applied.

8.73 Subject to the express definitions set forth in this Agreement, all terms used in this Agreement are defined in the UCC have the meanings ascribed to them in the UCC.

SECTION 9
ADDITIONAL REPRESENTATIONS AND WARRANTIES,
WAIVERS AND CONSENTS.

Each Borrower acknowledges, covenants and agrees as follows:

9.1 Each Borrower will be jointly and severally liable for satisfaction of the Obligations, including without limitation the repayment of all of the Indebtedness.

9.2 The Lender will not have any responsibility to inquire into the apportionment, allocation or disposition of the proceeds of the Loan as among the Borrowers.

9.3 Each Subsidiary Borrower hereby irrevocably appoints SATH as its agent and attorney-in-fact for all purposes of the Loan Documents, including without limitation the giving and receiving of notices and other communications, the making of requests for and conversions or continuations of the Loan, the execution and delivery of certificates, and the receipt and allocation of disbursements of the Loan proceeds from the Lender and all matters under Section 9.6. Any statement, representation, response or instruction provided by SATH will be deemed to be approved and consented to by each Borrower, and the Lender may unconditionally rely on any such statement, representation, response or instruction.

9.4 The making of the Loan on a joint borrowing basis is solely an accommodation to the Borrowers and is done at Borrowers' request. The request for joint handling of the Loan was made because all of the Borrowers are engaged in owning and operating the Stations and each Borrower expects to derive benefit, directly or indirectly, from the Loan because the successful operation of the Stations is dependent on the continued successful performance of all of the Borrowers. Each Borrower agrees that the Lender will not incur any liability to any Borrower as a result thereof. To induce the Lender to make the Loan, and in consideration thereof, each Borrower hereby agrees to indemnify the Lender and hold the Lender harmless from and against any and all liabilities, expenses, losses, damages and/or claims of damage or injury asserted against the Lender by any Borrower or by any other Person arising from or incurred by reason of the structuring of the Loan as provided in this Agreement, reliance by the Lender on any requests or instructions from any Borrower, or any other action taken by the Lender under this Agreement. This Section will survive repayment of the Loan.

9.5 Each Borrower has established adequate means of obtaining from each other Borrower on a continuing basis financial and other information pertaining to the business, operations and condition (financial and otherwise) of each other Borrower and is and hereafter will be completely familiar with the business, operations and condition (financial and otherwise) of each other Borrower. The Lender will have no duty, and each Borrower hereby waives any duty of the Lender, to disclose to any Borrower any matter, fact or thing relating to the business,

operations or condition (financial or otherwise) of any other Borrower, or the property of any other Borrower, whether now or hereafter known by the Lender.

9.6 The obligations and liabilities of each Borrower under this Agreement or any other Loan Document may derive from value provided directly to another Borrower and, in full recognition of that fact, each Borrower consents and agrees that the Lender may, at any time and from time to time, without notice to, demand on, or the agreement of, such Borrower, and without affecting the enforceability or security of the Loan Documents:

a. with the agreement of such Borrower, supplement, modify, amend, extend, renew, accelerate or change the terms of the Indebtedness, or otherwise change the time for payment of the Indebtedness or any part thereof, including increasing or decreasing the rate of interest thereon;

b. with the agreement of such Borrower, supplement, modify, amend or waive, or enter into any agreement, approval or consent with respect to, the hndebtedness or any part thereof or any of the Loan Documents or any collateral or any additional security or guaranties, or any condition, covenant, default, remedy, right, representation or term thereof or thereunder;

c. with the agreement of such Borrower, accept new or additional instruments, documents or agreements in exchange for, or relative to, any of the Loan Documents or the Indebtedness or any part thereof;

d. accept partial payments on the Indebtedness;

e. with the agreement of such Borrower, receive and hold additional security or guaranties for the Indebtedness or any part thereof;

f. release, reconvey, terminate, waive, abandon, subordinate, exchange, substitute, transfer and enforce any collateral or guaranties, and apply any security and direct the order or manner of sale thereof as the Lender in its sole and absolute discretion may determine;

g. release any party or any guarantor from any personal liability with respect to the Indebtedness or any part thereof;

h. settle, release on terms satisfactory to the Lender, or by operation of applicable laws or otherwise liquidate or enforce any of the Indebtedness and any security or guaranty in any manner, consent to the transfer of any security, and bid and purchase at any sale; and/or

i. consent to the merger, change or any other restructuring or termination of the corporate or limited liability company existence of any other Borrower or any other person or entity, and correspondingly restructure the Loan, continuing existence of any lien under any other Loan Document to which any Borrower is a party or the enforceability hereof or thereof with respect to all or part of the Indebtedness.

9.7 Lender will not be required to, and each Borrower expressly waives any right to require the Lender to, marshal assets in favor of any Borrower or any other Person or to proceed against any other Borrower or any other person or entity or any Collateral provided by any other

Borrower or any other Person, and the Lender will have the right to proceed against any Borrower and/or any of the Collateral in such order as the Lender determines in its sole and absolute discretion. The Lender may file a separate action or actions against any Borrower, whether such action is brought or prosecuted with respect to any other security or against any other person, or whether any other person is joined in any such action or actions. The Lender will have the right to deal with any Borrower in connection with the Indebtedness or otherwise, or alter any contracts or agreements now or hereafter existing between the Lender and any Borrower, in any manner whatsoever, all without in any way altering or affecting the obligations of any other Borrower under the Loan Documents.

9.8 Each Borrower authorizes Lender, upon the occurrence of and during the continuance of any Event of Default, at its sole option, without notice or demand and without affecting any Aggregate Indebtedness or the validity or enforceability of any liens of Lender on any collateral, to foreclose any or all of the deeds of trust of mortgages securing the obligations by judicial or nonjudicial sale. Each by real property. This means, among other things:

(i) The Lender may collect from any Borrower without first foreclosing on any real or personal property collateral pledged by the debtor;

(ii) If the Lender forecloses on any real property collateral pledged by the debtor;

A. The amount of the debt may be reduced only by the price for which that collateral is sold at the foreclosure sale, even if the collateral is worth more than the sale price; and

B. The Lender may collect from any Borrower even if the Lender, by foreclosing on the real property collateral, has destroyed any right one Borrower may have to collect from another Borrower.

This is an unconditional and irrevocable waiver of any rights and defenses the Borrower may have because the obligations are secured by real property. These rights and defenses include but are not limited to, any rights or defenses based upon Section 580a, 580b, 580d, or 726 of the California Code of Civil Procedure.

Each Borrower waives all rights and defenses arising out of an election of remedies by the Lender, even though that election of remedies, such as a nonjudicial foreclosure with respect to security for a guaranteed obligation, has destroyed the Borrower’s rights of subrogation and reimbursement against the other Borrower by the operation of Section 580d of the Code of Civil Procedure or otherwise.

9.9 Each Borrower expressly waives any and all defenses now or hereafter arising or asserted by reason of (i) any disability or other defense of any other Borrower or any other Person with respect to any Indebtedness, (ii) the unenforceability or invalidity as to any other Borrower or any other Person of the Indebtedness, (iii) the unenforceability or invalidity of any security or guaranty for the Indebtedness or the lack of perfection or continuing perfection or failure of priority of any security for the Indebtedness, (iv) the cessation for any cause whatsoever of the liability of any Borrower or any other Person (other than by reason of the full payment and performance of all Indebtedness), (v) to the extent permitted by law, any failure of the Lender to give notice of sale or other disposition of Collateral to any Borrower or any defect

in any notice that may be given in connection with any sale or disposition, (vi) to the extent permitted by law, any failure of the Lender to comply with applicable Legal Requirements in connection with the sale or other disposition of any Collateral or other security for any Indebtedness, including without limitation any failure of the Lender to conduct a commercially reasonable sale or other disposition of any Collateral or other security for any obligation, (vii) any act or omission of the Lender or others that directly or indirectly results in or aids the discharge or release of any Borrower or any other Person or the Indebtedness or any other security or guaranty therefor by operation of law or otherwise, (viii) any Legal Requirement that provides that the obligation of a surety or guarantor must neither be larger in amount nor in other respects more burdensome than that of the principal or which reduces a surety's or guarantor's obligation in proportion to the principal obligation, (ix) any failure of the Lender to file or enforce a claim in any bankruptcy or other proceeding with respect to any other Borrower, (x) the election by the Lender, in any bankruptcy proceeding of any other Borrower, of the application or non-application of Section 1111(b)(2) of the United States Bankruptcy Code, (xi) any extension of credit or the grant of any lien under Section 364 of the United States Bankruptcy Code in connection with the bankruptcy of any other Borrower, (xii) any use of cash collateral under Section 363 of the United States Bankruptcy Code, or (xiii) any agreement or stipulation with any other Borrower with respect to the provision of adequate protection in any bankruptcy proceeding of any person or entity.

9.10 Notwithstanding anything to the contrary elsewhere contained herein or in any other Loan Document to which any Borrower is a party, each Borrower hereby waives with respect to each other Borrower and their respective successors and assigns (including any surety) and any other party any and all rights at law or in equity, to subrogation, to reimbursement, to exoneration, to contribution, to setoff or to any other rights that could accrue to a surety against a principal, to a guarantor against a maker, to an accommodation party against the party accommodated, or to a holder or transferee against a maker and which any Borrower may have or hereafter acquire against each other Borrower or any other party in connection with or as a result of the execution, delivery and/or performance of this Agreement, the Note or any other Loan Document to which any Borrower is a party. Each Borrower agrees that it will not have and shall not assert any such rights against any other Borrower or the successors and assigns of any other Borrower or any other party (including any surety), either directly or as an attempted setoff to any action commenced against any Borrower by another Borrower (as Borrower or in any other capacity) or any other party. Each Borrower hereby acknowledges and agrees that this waiver is intended to benefit the Lender and will not limit or otherwise affect the liability of the Borrower hereunder or under any other Loan Document to which any Borrower is a party, or the enforceability hereof or thereof.

SECTION 10
MISCELLANEOUS PROVISIONS

10.1 Amendment; Modification and Waiver. No amendment, modification or alteration of the terms hereof will be binding unless it is in writing and duly executed by the parties. Failure of the Lender to exercise its rights hereunder on any one occasion will not be construed as a waiver of any requirement of this Agreement or a waiver of the Lender's right to take advantage of any subsequent or continued breach by any of the Borrowers of any covenant contained herein. All remedies herein provided will be in addition to and not in substitution for any remedies otherwise available to the Lender.

10.2 Other Reports to the Lender by the Borrowers and Inspections of Books, Records, Etc. In addition to the reports required to be furnished to the Lender under Section 5, each Borrower shall furnish to the Lender such other information and reports as may be necessary in the Lender's opinion to inform the Lender of each Borrower's financial status and condition and shall permit any person designated by the Lender to visit and inspect any of the properties, corporate books and financial records of any Borrower and to discuss its affairs, finances and accounts with its officers and employees at such reasonable times and as often as may be requested by the Lender.

10.3 Lender's Expenses. If an Event of Default occurs, the Borrowers shall pay the Lender's reasonable expenses of collection, including without limitation reasonable attorneys' fees and expenses for counsel retained by the Lender.

10.4 Notices. All notices and communications to the Lender provided for herein shall be hand delivered, sent by registered or certified mail, return receipt requested, or by recognized national courier service, or sent by facsimile (with receipt confirmed electronically), and shall be effective upon receipt or delivery, or refusal to accept delivery as evidenced by the return receipt, addressed to:

The E.W. Scripps Company
312 Walnut Street, 28th Floor
Cincinnati, Ohio 45202
Attention: Timothy Peterman, Vice President Corporate Development
Facsimile: (513) 977-3024

with a copy to:

William Appleton, Esq.
Baker & Hostetler LLP
312 Walnut Street
Suite 2650
Cincinnati, Ohio 45202-4074
Facsimile No.: (513) 929-0303

All communications to the Borrowers hereunder shall be hand delivered, sent by registered or certified mail, return receipt requested, or by recognized national courier service, or sent by facsimile (with receipt confirmed electronically), and shall be effective upon receipt or delivery, or refusal to accept delivery as evidenced by the return receipt, addressed to:

Shop At Home, Inc.
5388 Hickory Hollow Parkway
Nashville, Tennessee 37013
Attn:
Facsimile:

with a copy to:

Charles W. Bone, Esq.
Bone McAllester Norton, P.L.L.C.
Suntrust Center
424 Church Street, Suite 900
Nashville, Tennessee 37203
Facsimile: (613) 238-6301

10.5 Lender's Duties Upon Payment in Full by the Borrowers. Upon payment in full of all Obligations, the Lender shall (a) reassign or redeliver, as appropriate, to the Borrowers all Collateral (except to the extent such Collateral secures other indebtedness to the Lender); (b) at the Borrowers' expense, cause to be released or cancelled of record all financing statements or other documents previously filed and recorded in public offices by or on behalf of the Lender evidencing the Obligations and the security therefor; and (c) deliver to the Borrowers the Note marked "Paid in Full."

10.6 Governing Law; Interpretation. This Agreement is being delivered and is intended to be performed in the State of Ohio and will be construed and enforced in accordance with the laws of such state, without regard to conflicts of laws principles, except to the extent that, by reason of any mandatory provision of law, the attachment, perfection or priority of the Security Interest is governed by the Uniform Commercial Code as in effect in any jurisdiction other than Ohio. The section headings contained in this Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement.

10.7 Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which will be deemed an original but all of which together shall constitute one and the same instrument.

10.8 Assignment; Successors and Assigns. Neither this Agreement nor any of the rights, interests or Obligations hereunder may be assigned by the Borrowers (whether by operation of law or otherwise) without the prior written consent of the Lender. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

10.9 Third Party Beneficiaries. Nothing in this Agreement, express or implied, is intended or shall be construed to create any third party beneficiaries.

10.10 Consent to Jurisdiction; Venue. Each of the parties irrevocably submits to the exclusive jurisdiction of the state courts of Ohio and the United States District Court for the Southern District of Ohio for the purpose of any action or proceeding arising out of or relating to this Agreement, and each of the parties irrevocably agrees that all claims in respect to such action or proceeding may be heard and determined exclusively in any Ohio state court sitting in Hamilton County, Ohio or the United States District Court for the Southern District of Ohio. Each of the parties agrees that a final judgment in any Proceeding will be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

10.11 Further Assurances. The Borrowers shall, in good faith, execute such other and further instruments, assignments or documents as may be necessary or appropriate for the consummation of the transactions contemplated by this Agreement.

10.12 Severability. If any provision of this Agreement is finally determined by a court of competent jurisdiction to be unenforceable, such provision will be deemed to be severed from this Agreement, but every other provision of this Agreement will remain in full force and effect.

10.13 Entire Agreement. This Agreement (including the documents and the instruments referred to herein) constitutes the entire agreement among the parties with respect to its subject matter and supersedes all prior agreements and understandings, or representations, by or among the parties, written and oral, with respect to the subject matter hereof and thereof.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the day and year first above written.

LENDER:

THE E. W. SCRIPPS COMPANY

By _____
_____,_____

BORROWERS:

SHOP AT HOME, INC.

By _____
_____,_____

WOAC, INC.

By _____
_____,_____

WMFP, INC.

By _____
_____,_____

KCNS, INC.

By _____
_____,_____

SAH LICENSE, INC.

By _____
_____,_____

EXHIBIT A

Form of Promissory Note

[To Be Inserted]

RATIO OF EARNINGS TO FIXED CHARGES EXHIBIT 12

(in thousands	Six months ended June 30,		Years ended December 31,				
	2002	2001	2001	2000	1999	1998	1997
EARNINGS AS DEFINED:							
Earnings from operations before income taxes after eliminating undistributed earnings of 20%- to 50%-owned affiliates	$110,456	$201,334	$266,040	$279,478	$255,247	$229,611	$284,800
Fixed charges excluding capitalized interest and preferred stock dividends of majority-owned subsidiary companies	16,348	26,035	44,791	58,361	50,668	52,113	22,618
Earnings as defined	$126,804	$227,369	$310,831	$337,839	$305,915	$281,724	$307,418
FIXED CHARGES AS DEFINED:							
Interest expense, including amortization of debt issue costs	$ 13,221	$ 23,320	$ 39,197	$ 51,934	$ 45,219	$ 47,108	$ 18,543
Interest capitalized	344	412	730	206	356	341	1,193
Portion of rental expense representative of the interest factor	3,127	2,715	5,594	6,427	5,449	5,005	4,075
Preferred stock dividends of majority-owned subsidiary companies	40	40	80	80	80	80	80
Fixed charges as defined	$ 16,732	$ 26,487	$ 45,601	$ 58,647	$ 51,104	$ 52,534	$ 23,891
RATIO OF EARNINGS TO FIXED CHARGES	7.58	8.58	6.82	5.76	5.99	5.36	12.87

EXHIBIT 23.2

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Registration Statement of The E. W. Scripps Company on Form S-3 of our report dated January 23, 2002, appearing in the Annual Report on Form 10-K of The E. W. Scripps Company for the year ended December 31, 2001 and to the reference to us under the heading "Experts" in the Prospectus, which is part of this Registration Statement.

/s/ DELOITTE & TOUCHE LLP
Cincinnati, Ohio
October 4, 2002

Exhibit 24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, THAT: Each of the undersigned officers and directors of The E.W. Scripps Company, an Ohio corporation (the "Company"), has made, constituted and appointed, and by this instrument does make, constitute and appoint Joseph G. NeCastro, E. John Wolfzorn, M. Denise Kuprionis and William Appleton with full power of substitution and re-substitution to affix for such person and in such person's name, place and stead, in any and all capacities as attorney-in-fact, such person's signature to a Registration Statement on Form S-3 or other form registering under the Securities Act of 1933 (and Rule 415 of such Act, if appropriate) the Company's debt securities containing such terms and provisions as the Board of Directors or Executive Committee of the Company may specify and to any and all amendments, post-effective amendments, supplements and exhibits to such Registration Statement, and to any and all applications and other documents pertaining thereto, giving and granting to each such attorney-in-fact full power and authority to do and perform every act and thing whatsoever requisite and necessary to be done in and about the premises, as fully as such person might or could do if personally present, and hereby ratifying and confirming all that each of such attorneys-in-fact or any such substitute shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, this Power of Attorney has been signed in counterparts by the parties hereto in the capacities indicated below on September 27, 2002.

/s/ William R. Burleigh

William R. Burleigh Chairman of the Board and Director	Nackey E. Scagliotti Director
Kenneth W. Lowe President, Chief Executive Officer and Director (Principal Executive Officer)	Charles E. Scripps Director
Joseph G. NeCastro Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	Edward W. Scripps Director
John H. Burlingame Director	Paul K. Scripps Director
Jarl Mohn Director	Ronald W. Tysoe Director
Nicholas B. Paumgarten Director	Julie A. Wrigley Director

Exhibit 24

POWER OF ATTORNEY

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/s/ Kenneth W. Lowe	
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- ----------	/s/ Julie A. Wrigley ----------
Nicholas B. Paumgarten Director	Julie A. Wrigley Director

Exhibit 25

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM T-1

STATEMENT OF ELIGIBILITY
UNDER THE TRUST INDENTURE ACT OF 1939 OF
A CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY OF
A TRUSTEE PURSUANT TO SECTION 305(b)(2) _____

JPMORGAN CHASE BANK
(Exact name of trustee as specified in its charter)

NEW YORK (State of incorporation if not a national bank)	13-4994650 (I.R.S. employer identification No.)
270 PARK AVENUE NEW YORK, NEW YORK (Address of principal executive offices)	10017 (Zip Code)

William H. McDavid
General Counsel
270 Park Avenue
New York, New York 10017
Tel: (212) 270-2611
(Name, address and telephone number of agent for service)

THE E.W. SCRIPPS COMPANY
(Exact name of obligor as specified in its charter)

OHIO (State or other jurisdiction of incorporation or organization)	31-1223339 (I.R.S. employer identification No.)
312 WALNUT STREET CINCINNATI, OHIO (Address of principal executive offices)	45202 (Zip Code)

DEBT SECURITIES
(Title of the indenture securities)

GENERAL

Item 1. General Information.

Furnish the following information as to the trustee:

(a) Name and address of each examining or supervising authority to which it is subject.

New York State Banking Department, State House, Albany, New York 12110.

Board of Governors of the Federal Reserve System, Washington, D.C., 20551

Federal Reserve Bank of New York, District No. 2, 33 Liberty Street, New York, N.Y.

Federal Deposit Insurance Corporation, Washington, D.C., 20429.

(b) Whether it is authorized to exercise corporate trust powers.

Yes.

Item 2. Affiliations with the Obligor.

If the obligor is an affiliate of the trustee, describe each such affiliation.

None.

Item 16. List of Exhibits

List below all exhibits filed as a part of this Statement of Eligibility.

1. A copy of the Restated Organization Certificate of the Trustee and the Certificate of Amendment dated November 9, 2001 (see Exhibit 1 to Form T-1 filed in connection with Registration Statement No. 333-73746 which is incorporated by reference).

2. A copy of the Certificate of Authority of the Trustee to Commence Business (see Exhibit 2 to Form T-1 filed in connection with Registration Statement No. 33-50010, which is incorporated by reference). On November 11, 2001, in connection with the merger of The Chase Manhattan Bank and Morgan Guaranty Trust Company of New York, the surviving corporation was renamed JPMorgan Chase Bank.

3. None, authorization to exercise corporate trust powers being contained in the documents identified above as Exhibits 1 and 2.

4. A copy of the existing By-Laws of the Trustee (see Exhibit 4 to Form T-1 filed in connection with Registration Statement No. 333-73746, which is incorporated by reference).

5. Not applicable.

6. The consent of the Trustee required by Section 321(b) of the Act (see Exhibit 6 to Form T-1 filed in connection with Registration Statement No. 33-50010, which is incorporated by reference). On November 11, 2001, in connection with the merger of The Chase Manhattan Bank and Morgan Guaranty Trust Company of New York, the surviving corporation, was renamed JPMorgan Chase Bank.

7. A copy of the latest report of condition of the Trustee, published pursuant to law or the requirements of its supervising or examining authority (see Exhibit 7 to Form T-1 filed in connection with Registration Statement No. 333-73746 which is incorporated by reference).

8. Not applicable.

9. Not applicable.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939 the Trustee, JPMorgan Chase Bank, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of New York and State of New York, on the 3rd. day of October 2002.

JPMORGAN CHASE BANK

By /S/ KATHLEEN PERRY

/s/ Kathleen Perry
Vice President

Exhibit 7 to Form T-1

Bank Call Notice

RESERVE DISTRICT NO. 2
CONSOLIDATED REPORT OF CONDITION OF

JPMorgan Chase Bank
of 270 Park Avenue, New York, New York 10017
and Foreign and Domestic Subsidiaries,
a member of the Federal Reserve System,

at the close of business June 30, 2002, in accordance with a call made by the Federal Reserve Bank of this District pursuant to the provisions of the Federal Reserve Act.

ASSETS		DOLLAR AMOUNTS IN MILLIONS
Cash and balances due from depository institutions:		
Noninterest-bearing balances and currency and coin		$ 20,772
Interest-bearing balances		10,535
Securities:		
Held to maturity securities		419
Available for sale securities		59,953
Federal funds sold and securities purchased under agreements to resell		
Federal funds sold in domestic offices		6,054
Securities purchased under agreements to resell		74,680
Loans and lease financing receivables:		
Loans and leases held for sale		11,686
Loans and leases, net of unearned income	$168,109	
Less: Allowance for loan and lease losses	3,241	
Loans and leases, net of unearned income and allowance		164,868
Trading Assets		179,236
Premises and fixed assets (including capitalized leases)		5,999
Other real estate owned		60
Investments in unconsolidated subsidiaries and associated companies		376
Customers' liability to this bank on acceptances outstanding		273
Intangible assets		
Goodwill		2,156
Other Intangible assets		5,786
Other assets		38,554
TOTAL ASSETS		$581,407

LIABILITIES		
Deposits		
In domestic offices		$158,559
Noninterest-bearing	$65,503	
Interest-bearing	93,056	
In foreign offices, Edge and Agreement subsidiaries and IBF's		129,207
Noninterest-bearing		$ 9,645
Interest-bearing		119,562
Federal funds purchased and securities sold under agreements to repurchase:		
Federal funds purchased in domestic offices		15,942
Securities sold under agreements to repurchase		88,781
Trading liabilities		105,568
Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases)		12,583
Bank's liability on acceptances executed and outstanding		278
Subordinated notes and debentures		9,249
Other liabilities		26,053
TOTAL LIABILITIES		546,220
Minority Interest in consolidated subsidiaries		100
EQUITY CAPITAL		
Perpetual preferred stock and related surplus		0
Common stock		1,785
Surplus (exclude all surplus related to preferred stock)		16,304
Retained earnings		17,013
Accumulated other comprehensive income		(15)
Other equity capital components		0
TOTAL EQUITY CAPITAL		35,087
TOTAL LIABILITIES, MINORITY INTEREST, AND EQUITY CAPITAL		$581,407

I, Joseph L. Sclafani, E.V.P. & Controller of the above-named bank, do hereby declare that this Report of Condition has been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and is true to the best of my knowledge and belief.

JOSEPH L. SCLAFANI

We, the undersigned directors, attest to the correctness of this Report of Condition and declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and is true and correct.

WILLIAM B. HARRISON, JR.)
HELENE L. KAPLAN)
WILLIAM H. GRAY III)