

assigns, and its subsidiaries, divisions, groups, affiliates, partnerships and joint ventures, and their directors, officers, managers, agents, and employees.

B. “FOX” means defendant FOX Television Holdings, Inc., a Delaware corporation and a wholly owned subsidiary of News Corp with headquarters in Los Angeles, California, its successors and assigns, and its subsidiaries, divisions, groups, affiliates, partnerships and joint ventures, and their directors, officers, managers, agents, and employees.

C. “Chris-Craft” means defendant Chris-Craft Industries, Inc., a Delaware corporation with its headquarters in New York, New York, its successors and assigns, and its subsidiaries, divisions, groups, affiliates, partnerships and joint ventures, and their directors, officers, managers, agents, and employees.

D. “KTVX-TV” means the broadcast television station located in the Salt Lake City DMA owned by defendant Chris-Craft through its subsidiary United Television, Inc. operating at Channel 4.

E. “Divestiture Assets” means all of the assets, tangible or intangible, used in the operation of KTVX-TV, including, but not limited to, all real property (owned or leased) used in the operation of the station, all broadcast equipment, office equipment, office furniture, fixtures, materials, supplies, and other tangible property used in the operation of the station; all licenses, permits, authorizations, and applications therefor issued by the Federal Communications Commission (“FCC”) and other government agencies related to that station; all contracts (including programming contracts and rights), agreements, network affiliation agreements, leases and commitments and understandings of defendant Chris-Craft relating to the operation of KTVX-TV; all trademarks, service marks, trade names, copyrights, patents, slogans, programming materials,

and promotional materials relating to KTVX-TV; all customer lists, contracts, accounts, and credit records; and all logs and other records maintained by defendant Chris-Craft in connection with KTVX-TV.

F. “KSTU-TV” means the broadcast television station located in the Salt Lake City DMA owned by defendant News Corp through its subsidiary FOX operating at Channel 13.

G. “DMA” means designated market area as defined by A.C. Nielsen Company based upon viewing patterns and used by the Investing In Television BIA Market Report 2000 (3rd edition). DMAs are ranked according to the number of households therein and are used by broadcasters, advertisers and advertising agencies to aid in evaluating television audience size and composition.

H. “Acquirer” means the entity to whom defendants divest the Divestiture Assets.

II.

OBJECTIVES

The Final Judgment filed in this case is meant to ensure defendants’ prompt divestiture of the Divestiture Assets for the purpose of maintaining a viable competitor in the sale of television advertising time in the Salt Lake City DMA and to remedy the anticompetitive effects that the United States alleges would otherwise result from News Corp’s proposed acquisition of Chris-Craft. This Hold Separate Stipulation and Order ensures, prior to such divestiture, that the Divestiture Assets remain independent, economically viable, and an ongoing business concern that will remain independent and uninfluenced by the consummation of News Corp’s acquisition of Chris-Craft, and that competition is maintained during the pendency of the ordered divestiture.

III.

JURISDICTION AND VENUE

The Court has jurisdiction over the subject matter of this action and over each of the parties hereto, and venue of this action is proper in the United States District Court for the District of Columbia.

IV.

COMPLIANCE WITH AND ENTRY OF FINAL JUDGMENT

A. The parties stipulate that a Final Judgment in the form attached hereto as Exhibit A may be filed with and entered by the Court, upon the motion of any party or upon the Court's own motion, at any time after compliance with the requirements of the Antitrust Procedures and Penalties Act (15 U.S.C. § 16), and without further notice to any party or other proceedings, provided that the United States has not withdrawn its consent, which it may do at any time before the entry of the proposed Final Judgment by serving notice thereof on defendants and by filing that notice with the Court.

B. Defendants shall abide by and comply with the provisions of the proposed Final Judgment, pending the Judgment's entry by the Court, or until expiration of time for all appeals of any Court ruling declining entry of the proposed Final Judgment, and shall, from the date of the signing of this Stipulation by the parties, comply with all the terms and provisions of the proposed Final Judgment as though the same were in full force and effect as an order of the Court.

C. Defendants shall not consummate the transaction sought to be enjoined by the Complaint herein before the Court has signed this Hold Separate Stipulation and Order.

D. This Stipulation shall apply with equal force and effect to any amended proposed Final Judgment agreed upon in writing by the parties and submitted to the Court.

E. In the event (1) the United States has withdrawn its consent, as provided in Section IV(A) above, or (2) the proposed Final Judgment is not entered pursuant to this Stipulation, the time has expired for all appeals of any Court ruling declining entry of the proposed Final Judgment, and the Court has not otherwise ordered continued compliance with the terms and provisions of the proposed Final Judgment, then the parties are released from all further obligations under this Stipulation, and the making of this Stipulation shall be without prejudice to any party in this or any other proceeding.

F. Defendants represent that the divestiture ordered in the proposed Final Judgment can and will be made, and that defendants will later raise no claim of mistake, hardship or difficulty of compliance as grounds for asking the Court to modify any of the provisions contained therein.

G. The parties recognize that there could be a delay in obtaining approval by or a ruling of a government agency related to the divestitures required by Section IV of the Final Judgment, notwithstanding the good faith efforts of the defendants and any prospective Acquirer, as defined in the Final Judgment. In this circumstance, plaintiff will, in the exercise of its sole discretion give special consideration to forbearing from applying for the appointment of a trustee pursuant to Section V(A) of the Final Judgment, or from pursuing legal remedies available to it as a result of such delay, provided that; (1) defendants have entered into one or more definitive agreements to divest the Divestiture Assets, as defined in the Final Judgment, and such agreements and the Acquirer have been approved by the United States; (2) all papers necessary to secure any governmental approvals and/or rulings to effectuate such divestitures (including but not limited to

the FCC, Securities and Exchange Commission, and Internal Revenue Service approvals or rulings) have been filed with the appropriate agency; (3) receipt of such approvals are the only closing conditions that have not been satisfied or waived; and (4) defendants have demonstrated that neither they nor the prospective Acquirer is responsible for such delay.

V.

HOLD SEPARATE PROVISIONS

Until the divestiture required by the Final Judgment has been accomplished:

A. Defendants shall preserve, maintain, and continue to operate KTVX-TV as a competitively independent, ongoing economically viable competitive business, with its assets, management, decision-making functions and operations separate, distinct, and apart from KSTU-TV and News Corp's and FOX's other operations. Within twenty (20) calendar days after the entry of this Hold Separate Stipulation and Order, defendants will inform the United States of the steps defendants have taken to comply with this Hold Separate Stipulation and Order.

B. Defendants shall take all steps necessary to ensure that (1) KTVX-TV will be maintained and operated as an independent, ongoing, economically viable and active competitor to the other television stations in the Salt Lake City DMA; (2) management of KTVX-TV, including the performance of decision-making functions regarding marketing and pricing, will be kept separate and apart from and not influenced by defendant News Corp or FOX; and (3) the books, records, competitively sensitive sales, marketing and pricing information, and decision-making associated with KTVX-TV will be kept separate and apart from that of KSTU-TV and News Corp's or FOX's other operations.

C. Defendants shall use all reasonable efforts to maintain and increase sales of advertising time by KTVX-TV and shall maintain at 2000 or previously approved levels for 2001, whichever are higher, promotional, advertising, sales, technical assistance, marketing and merchandising support for KTVX-TV.

D. Defendants shall provide sufficient working capital and lines and sources of credit to continue to maintain the Divestiture Assets as an economically viable and competitive ongoing business, consistent with the requirements of Sections V(A) and V(B).

E. Defendants shall take all steps necessary to ensure that the Divestiture Assets are fully maintained in operable condition and shall maintain and adhere to normal repair and maintenance schedules for the Divestiture Assets.

F. Defendants shall not, except as part of a divestiture approved by the United States in accordance with the terms of the Final Judgment, remove, sell, lease, assign, transfer, license, pledge for collateral, or otherwise dispose of any of the Divestiture Assets.

G. Defendants shall maintain, in accordance with sound accounting principles, separate, accurate and complete financial ledgers, books and records that report on a periodic basis (such as the last business day of every month), consistent with past practices, the assets, liabilities, expenses, revenues, and income of the Divestiture Assets.

H. Defendants shall take no action that would jeopardize, delay, or impede the sale of the Divestiture Assets.

I. Defendants' employees with primary responsibility for sales, marketing and programming of KTVX-TV shall not be transferred or reassigned to any other station, except for transfer bids initiated by employees pursuant to each defendant's regular, established job posting

policy. Defendants shall provide the United States with ten (10) calendar days' notice of such transfer.

J. Prior to consummation of their transaction, defendants shall appoint Gregory Nathanson to oversee the Divestiture Assets, and who will be responsible for defendants' compliance with this section. Gregory Nathanson shall have complete managerial responsibility for the Divestiture Assets, subject to the provisions of the Final Judgment. In the event he is unable to perform his duties, defendants shall appoint, subject to the approval of the United States, a replacement within ten (10) working days. Should defendants fail to appoint a replacement acceptable to the United States within this time period, the United States shall appoint a replacement.

K. Defendants shall take no action that would interfere with the ability of any trustee appointed pursuant to the Final Judgment to monitor and complete the divestiture pursuant to the Final Judgment to a purchaser acceptable to the United States.

L. This Hold Separate Stipulation and Order shall remain in effect until consummation of the divestiture required by the proposed Final Judgment or until further order

of the Court.

Dated: April 16, 2001

FOR PLAINTIFF
UNITED STATES OF AMERICA

_____/s/_____
Carolyn L. Davis, Esquire
PA Bar # 36136
United States Department of Justice
Antitrust Division, Litigation II Section
1401 H Street, NW
Suite 3000
Washington, DC 20530
(202) 514-5815

Respectfully submitted,

FOR DEFENDANTS
THE NEWS CORPORATION LIMITED and
FOX TELEVISION HOLDINGS, INC.

_____/s/_____
Lloyd Constantine, Esquire
Constantine & Partners
477 Madison Avenue
New York, NY 10022
(212) 350-2702

FOR DEFENDANTS
CHRIS-CRAFT INDUSTRIES

_____/s/_____
Neal Stoll, Esquire
Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, NY 10036
(212) 735-3000

ORDER

IT IS SO ORDERED by the Court, this 16th day of April, 2001.

/s/
United States District Judge