

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT  
PURSUANT TO SECTION 13 or 15(d) of the  
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): May 7, 2002

USA INTERACTIVE  
(Exact name of Registrant as specified in charter)

Delaware (State or other jurisdiction of incorporation)	0-20570 (Commission File Number)	59-2712887 (IRS Employer Identification No.)
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152 West 57th Street, New York, NY (Address of principal executive offices)	10019 (Zip Code)
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Registrant's telephone number, including area code:  
(212) 314-7300

USA NETWORKS, INC.  
(Former name or former address, if changed since last report)

ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS

On May 7, 2002, USA Interactive (formerly, USA Networks, Inc., the "Company") announced the completion of a transaction to contribute its Entertainment Group to a joint venture with Vivendi Universal, S.A (the "Transaction"). Filed herewith, and incorporated herein by reference, are the Amended and Restated Transaction Agreement, Equity Warrant Agreement, Amended and Restated Limited Liability Limited Partnership Agreement of Vivendi Universal Entertainment LLLP and the Company's press release announcing the completion of the Transaction.

The Company filed a definitive proxy statement dated March 25, 2002 (File No. 000-20570), relating to the Transaction (the "Proxy Statement"). The Proxy Statement, which contains additional information about the Transaction, is incorporated herein by reference.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS

- (a) Not Applicable.
- (b) The pro forma financial information relating to the Transaction is included in the Proxy Statement, incorporated herein by reference.
- (c) Exhibits.

Exhibit No. Description

- 2.1 Amended and Restated Transaction Agreement, dated as of December 16, 2001, among Vivendi Universal, S.A., Universal Studios, Inc., USA Networks, Inc., USANi LLC and Liberty Media Corporation
- 4.1 Equity Warrant Agreement between USA Networks, Inc. and The Bank of New York

- 99.1 Amended and Restated Limited Partnership Agreement of Vivendi Universal Entertainment LLLP, dated as of May 7, 2002, by and among USI Entertainment Inc., USANi Holdings XX, Inc., Universal Pictures International Holdings BV, Universal Pictures International Holdings 2 BV, NYCSpirit Corp. II, USA Networks, Inc., USANi Sub LLC, New-U Studios Holdings, Inc. and Barry Diller
- 99.2 Press Release

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

USA INTERACTIVE

By: /s/ Julius Genachowski

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Name: Julius Genachowski  
Title: Executive Vice President and  
General Counsel

Date: May 17, 2002

EXHIBIT INDEX

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99.2	Press Release

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AMENDED AND RESTATED TRANSACTION AGREEMENT

Among

VIVENDI UNIVERSAL, S.A.,

UNIVERSAL STUDIOS, INC.,

USA NETWORKS, INC.,

USANi LLC

and

LIBERTY MEDIA CORPORATION

Dated as of December 16, 2001

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AMENDED AND RESTATED TRANSACTION AGREEMENT (this "Agreement") dated as of December 16, 2001, by and among VIVENDI UNIVERSAL, S.A., a societe anonyme organized under the laws of France ("Vivendi"), UNIVERSAL STUDIOS, INC., a Delaware corporation ("Universal"), USA NETWORKS, INC., a Delaware corporation ("USAi"), USANI LLC, a Delaware limited liability company ("USANi"), LIBERTY MEDIA CORPORATION, a Delaware corporation ("Liberty"), and, for purposes of Sections 2.03(a) (iv), 2.03(a) (v), 2.03(a) (vii), 2.07, 4.10(d) and 8.01 only, BARRY DILLER ("Diller").

Preliminary Statement  
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WHEREAS, the parties hereto entered into a Transaction Agreement (the "Original Transaction Agreement") on December 16, 2001;

WHEREAS, the parties hereto desire to amend and restate the terms and provisions of the Original Transaction Agreement as set forth herein;

WHEREAS, USANi desires to distribute to Universal and its Affiliates (such term and such other terms used and not defined in this Preliminary Statement, as defined in Annex A) the USANi Distributed Interests in return for the cancellation of all the USANi Shares owned by Universal and its Affiliates;

WHEREAS, Affiliates of Universal and USAi desire to form the Partnership with Universal Contributing (or causing to be Contributed) the Universal Contributed Interests and the USANi Distributed Interests, USANi Contributing (or causing to be Contributed) the USANi Contributed Interests and USAi Contributing (or causing to be Contributed) all of the membership interests in USA Films, and with the Partnership operating and conducting its business on the terms set forth in the Partnership Agreement;

WHEREAS, Universal, USAi and USANi desire that the Partnership grant to Diller a participating interest in the Partnership as compensation for agreeing to serve as the Chairman and CEO of the Partnership and in consideration for Diller agreeing to be bound by certain non-competition provisions; and

WHEREAS, in connection with the foregoing, the parties hereto, as applicable, desire to terminate the Exchange Agreement, effective as of the Closing Date, but after the exchanges contemplated by Section 2.01 of the Universal/Liberty Merger Agreement and to amend and restate, effective as of the Closing, the Stockholders Agreement and the Governance Agreement.

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

ARTICLE I

Definitions and Usage  
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Unless the context shall otherwise require, terms used and not defined herein shall have the meanings assigned thereto in Annex A. Inclusion of, or reference to, any matter in any Schedule to this Agreement does not constitute an admission of the materiality of any such matter.

ARTICLE II

Transactions and Closing  
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Upon the terms and subject to the conditions set forth herein, the parties shall consummate each of the following transactions.

SECTION 2.01. Exchange Rights. (a) Prior to effecting the transactions contemplated by Section 2.02 of this Agreement, but immediately after the exchanges contemplated by Section 2.01 of the Universal/Liberty Merger Agreement, (i) the Exchange Agreement, except the representations and warranties contained therein, and (ii) Section 6.01 of the Investment Agreement, shall be terminated, whereby the USANi Shares will no longer be exchangeable for USAi Common Equity. Each party hereto that is also a party to the Exchange Agreement and/or the Investment Agreement shall execute and deliver, or shall cause to be executed and delivered, all such documents and instruments and shall take, or cause to be taken, all actions necessary to effect the terminations required pursuant to this Section 2.01 at the time specified herein.

(b) During the period from the date of this Agreement to the time of the termination of the exchange right referred to above, USAi shall not take any action to require either Universal or Liberty to exchange their USANi Shares for shares of USAi Common Stock pursuant to the Exchange Agreement and during the period from the date of this Agreement to and including the Closing Date, USAi shall not take any action to require Liberty to exchange the shares of Home Shopping Network, Inc. for USAi Common Stock pursuant to the Liberty Exchange Agreement.

SECTION 2.02. USANi Shares. On the Closing Date, immediately prior to effecting the transactions contemplated by Section 2.03, (a) the USAi Share Exchanges and the Mergers (each as defined in the Universal/Liberty Merger Agreement) shall be consummated, then (b) USANi shall distribute to Universal and/or its Affiliates (i) the USANi Universal Distributed Interests in return for the cancellation of 282,161,530 USANi Shares owned by Universal and its Affiliates and (ii) the USANi Liberty Distributed Interests in return for the cancellation of 38,694,982 USANi Shares owned by Universal and its Affiliates that were directly or indirectly acquired in connection with clause (a) above, all of which USANi Shares shall be delivered by Universal and/or its Affiliates free and clear of any Liens (the "Committed LLC Shares") and (c) Universal shall deliver to USANi cancelled share certificates representing the cancellation of all such Committed LLC Shares.

SECTION 2.03. Transfer and Acquisition. (a) On the Closing Date, immediately after effecting the transactions contemplated by Section 2.02, (i) Universal shall Contribute (or cause to be Contributed) to the Partnership all the right, title and interest of Universal and its Affiliates in, to and under the Universal Contributed Interests and the USANi Distributed Interests;

(ii) USANi shall Contribute (or cause to be Contributed) to the Partnership, directly or indirectly, all the right, title and interest of USANi and its Affiliates in, to and under the USANi Contributed Interests;

(iii) USAi shall Contribute (or cause to be Contributed) to the Partnership all the right, title and interest of USAi and its Affiliates in, to and under the membership interests in USA Films;

(iv) Diller shall assume the roles of Chairman and CEO of the Partnership;

(v) each Parent Party and Diller shall execute and deliver (or cause its Affiliates to execute and deliver) (A) the Partnership Agreement and (B) such appropriate bills of sale, assignment and assumption and other instruments of transfer providing for the contributions set forth in this Section 2.03, and the parties to the Partnership Agreement shall form the Partnership;

(vi) Universal shall cause the Partnership to assume the Contributed Liabilities; and

(vii) each of Universal, USAi, USANi Sub and Diller (or Affiliates thereof) shall receive interests in the Partnership as set forth in the Partnership Agreement.

(b) Prior to Closing, the Parent Parties shall agree upon a schedule that sets forth the agreed allocation of values of the interests being Contributed pursuant to Section 2.03(a) for tax purposes.

SECTION 2.04. Other Transactions. On the Closing Date,

(i) (A) USAi and The Bank of New York shall execute and deliver the Warrant Agreement and (B) USAi shall issue and deliver Warrants to the Affiliate of Vivendi set forth in Schedule 2.04(b) in the amounts and with the exercise prices as set forth in Schedule 2.04; provided, that if any event shall have occurred after the close of business on November 30, 2001 (the "Reference Date") and on or prior to the Closing Date that would result in an adjustment to the number of shares purchasable upon the exercise of Warrants under Article IV of the Warrant Agreement if such Warrants had been issued on the Reference Date, USAi shall issue and deliver to the Affiliate of Vivendi set forth in Schedule 2.04(b) Warrants to purchase the number of shares set forth on Schedule 2.04 as so adjusted, with exercise prices adjusted accordingly;

(ii) Universal shall cause the Partnership to incur third party debt (on terms reasonably satisfactory to USAi) in an amount sufficient to fund the special distribution contemplated by Section 8.05 of the Partnership Agreement, which will be payable to USANi Sub on the Closing Date out of the proceeds of such debt.

SECTION 2.05. Assignment of Contracts and Rights. Anything in this Agreement to the contrary notwithstanding, except as set forth on Schedule 2.05, this Agreement shall not constitute an agreement to assign any Contract or License or any claim or right or any benefit arising thereunder or resulting therefrom, or an assumption of liability thereunder, if an attempted assignment thereof, without the approval of a party thereto, would be ineffective or would constitute a breach or other contravention thereof or give rise to any right of termination thereof, as a direct result of such assignment. Each Parent Party shall use its reasonable best efforts (which shall not require any payment of money) to obtain the approval of the other parties to any such Contract or License, or any claim or right or any benefit arising thereunder, for the assignment thereof to, and the assumption by, the Partnership. If as of the Closing Date an attempted assignment and assumption thereof would be ineffective or would give rise to any right of termination thereof, each Parent Party shall cooperate in arranging a mutually agreeable alternative to enable the Partnership to obtain the benefits and assume the obligations under such Contract or License in accordance with this Agreement as of the Closing Date or as soon as practicable thereafter (including through a sub-contracting, sub-licensing, or sub-leasing arrangement, or an arrangement under which such Parent Party or one of its Affiliates would enforce such Contract or License for the benefit of the Partnership, with the Partnership assuming such Parent Party's or its Affiliate's obligations and any and all rights of such Parent Party or its Affiliate against the other party thereto). If the approval of the other party is obtained, such approval shall constitute a confirmation (automatically and without further action of the parties) that such Contract or License is assigned to the Partnership as of the Closing Date, and (automatically and without further action of the parties) that the liabilities with respect to such Contract or License are assumed by the Partnership as of the Closing Date. The agreements set forth on Schedule 2.05 will apply with respect to the USAi Contracts described therein.

SECTION 2.06. Closing Date. The closing of the transactions set forth in this Article II (the "Closing") shall take place at the offices of Cravath, Swaine & Moore, 825 Eighth Avenue, New York, New York 10019, at 10:00 a.m. on the second Business Day following the satisfaction (or to the extent permitted, the waiver) of all the conditions to the parties' obligations set forth in Article V (other than those requiring the delivery of documents or the taking of other action at the Closing), or at such other place, time and date as the parties hereto shall agree (the "Closing Date").

SECTION 2.07. Assignment of Rights by Diller. Diller may assign beneficial interests in the right to receive up to an aggregate of 10% of the Common Interests (as defined in the Partnership Agreement) that Diller is entitled to receive upon the Closing to one or more Persons designated by Diller prior to Closing; provided that no more than four such Persons may be designated. For any such assignment to be effective, such assignee shall have agreed, pursuant to an instrument in a form reasonably satisfactory to Universal, to be bound by the terms of Section 6.07 of the Partnership Agreement.

ARTICLE III

Representations and Warranties of Parent Parties  
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Representations and warranties of USAi relating to (i) the portions of its Existing Business contained in USA Cable, Studios USA or their respective subsidiaries speak only as to the period between February 13, 1998, and the date hereof and (ii) the portions of its Existing Business contained in USA Films and its subsidiaries speak only as to the period between May 29, 1999, and the date hereof (it being understood that matters existing prior to (x) February 13, 1998, in the case of clause (i) above, and (y) May 29, 1999, in the case of clause (ii) above, shall not be deemed to be a breach of a representation or warranty that speaks on and after such respective date). Subject to the immediately preceding sentence, each Parent Party (unless otherwise specified), with respect to itself and, as applicable, with respect to its Affiliates, represents and warrants to the other Parent Party as follows:

SECTION 3.01. Organization, Standing and Power. Each of such Parent Party and its Transaction Affiliate(s) (i) is duly organized or formed, validly existing and in good standing (with respect to jurisdictions which recognize such concept) under the laws of the jurisdiction in which it is so organized or formed and (ii) has full corporate or limited liability company power and authority to perform and comply with all the terms and conditions of each Transaction Document to which it is, or is specified to be, a party. Each of such Parent Party and its Transaction Affiliate(s) is duly qualified to do business as a foreign corporation or limited liability company and is in good standing (with respect to jurisdictions which recognize such concept) in each jurisdiction in which the nature of the business transacted by it or the character or location of the properties owned or leased by it requires such qualification, except where failure to be so qualified would not have a Material Adverse Effect.

SECTION 3.02. Authority; Execution and Delivery; Enforceability. Each of such Parent Party and its Affiliates has full power and authority to execute and deliver the Transaction Documents to which it is, or is specified to be, a party and to consummate the Transactions to which it is, or is specified to be, a party. The execution, delivery and performance by each of such Parent Party and its Affiliates of the Transaction Documents to which it is, or is specified to be, a party and the consummation by each of such Parent Party and its Affiliates of the Transactions to which it is, or is specified to be, a party have been (or, with respect to such Affiliates, prior to the Closing Date will be) duly authorized by all necessary corporate or limited liability company action subject, in the case of USAi, to receipt of the USAi Stockholder Approvals, and no other corporate proceedings on the part of such Parent Party or its Affiliates are necessary to authorize this Agreement or the consummation of the Transactions. Each of such Parent Party and its Affiliates has duly executed and delivered this Agreement (to the extent a party hereto) and prior to the Effective Time will have duly executed and delivered each other Transaction Document to which it is, or is specified to be, a party, and this Agreement constitutes, and each other Transaction Document to which it is, or is specified to be, a party will, after the Effective Time (assuming the execution and delivery by each other party thereto), constitute its legal, valid and binding obligations, enforceable against it in accordance with its terms. The USAi Board formed a special committee of the USAi Board, composed of the four disinterested directors on the USAi Board (the "Special Committee"), to consider this Agreement, the other Transaction Documents to which USAi is a party and the Transactions, and

to make a recommendation with respect thereto to the entire USAi Board. The Special Committee, at a meeting duly called and held at which all members of the Special Committee were present either in person or by telephone, (x) received the opinion of Bear, Stearns & Co. to the effect that the consideration to be received by USAi in the Transactions is fair, from a financial point of view, to the stockholders of USAi other than Universal, Liberty, Diller and their Affiliates, and (y) duly and unanimously (and without any abstentions) adopted resolutions (i) declaring advisable this Agreement, (ii) determining that the terms of the Transactions are fair to and in the best interests of the public stockholders of USAi, other than stockholders party to the Transactions, and (iii) recommending that the USAi Board approve this Agreement, the other Transaction Documents to which USAi is a party and the Transactions, and that the USAi Board declare the advisability of this Agreement. After receiving and considering such resolutions of the Special Committee, the USAi Board, at a meeting duly called and held at which all directors of USAi were present either in person or by telephone, duly adopted resolutions (i) approving and declaring advisable this Agreement, (ii) determining that the terms of the Transactions are fair to and in the best interests of the public stockholders of USAi other than stockholders party to the Transactions, (iii) directing that this Agreement and the Transactions be submitted to a vote at a meeting of USAi's stockholders to be held as promptly as practicable following the date of this Agreement, (iv) recommending that such stockholders adopt this Agreement and approve and authorize the Transactions to the extent USAi is a party thereto and (v) approving the other Transaction Documents to which USAi is a party and the Transactions, which resolutions have not been subsequently rescinded, modified or withdrawn in any way.

SECTION 3.03. No Conflicts; Consents. Except as set forth on Schedule 3.03, the execution, delivery and performance by each of such Parent Party and its Affiliates of this Agreement (to the extent a party hereto) does not, the execution, delivery and performance by each of such Parent Party and its Affiliates of each other Transaction Document to which it is, or is specified to be, a party will not, and the consummation of the Transactions and compliance with the terms of the Transaction Documents will not, conflict with or result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation or to loss of a material benefit under, or to increased, additional or accelerated rights or entitlements of any Person under, or result in the creation of any Lien upon any of the properties or assets of such Parent Party or its Affiliates under, any provision of (i) the Organizational Documents of such Parent Party or its Affiliates, (ii) any Material Contract to which such Parent Party or its Affiliates is a party or by which any of their respective properties or assets is bound or (iii) any judgment, order or decree (collectively, "Judgment") or any statute, law, ordinance, rule or regulation (collectively, "Applicable Law") applicable to such Parent Party or its Affiliates or their respective properties or assets, other than, in the case of clauses (ii) and (iii) above, any such items that, individually or in the aggregate, would not have a Material Adverse Effect. No consent, approval, license, permit, order or authorization (collectively, "Consent") of, or registration, declaration or filing with, any Federal, state, local or foreign government or any court of competent jurisdiction, regulatory or administrative agency or commission or other governmental authority or instrumentality, domestic or foreign (collectively, "Governmental Entity"), is required to be obtained or made by or with respect to either such Parent Party or any of its Affiliates in connection with the execution, delivery and performance of the Transaction Documents to which it is, or is specified to be, a party or the consummation of the Transactions, other than such Consents, registrations, declarations or filings, the failure of which to obtain or make, would not,

individually or in the aggregate, have a Material Adverse Effect or those set forth on Schedule 3.03.

SECTION 3.04. Capitalization of USAi; Warrants. USAi represents and warrants to Universal that as of the close of business on the Reference Date (a) the authorized capital stock of USAi consisted of (i) 1,600,000,000 shares of USAi Common Stock, of which 314,347,113 shares were then issued and outstanding and 6,379,547 shares were then held in treasury, (ii) 400,000,000 shares of Class B common stock of USAi, par value \$.01 per share ("USAi Class B Common Stock"), of which 63,033,452 shares were then issued and outstanding and (iii) 100,000,000 shares of preferred stock of USAi, par value \$.01 per share ("USAi Preferred Stock"), of which there were then no shares issued and outstanding (the issued and outstanding shares in clauses (i) and (ii) above, collectively, the "USAi Shares"). Except for the USAi Shares and the other securities set forth in this Section 3.04, there are no shares of capital stock or other equity securities of USAi issued, reserved for issuance or outstanding. Except as set forth on Schedule 3.04 or, with respect to preemptive rights, as set forth in the Investment Agreement, the USAi Shares are duly authorized, validly issued, fully paid and nonassessable and not subject to or issued in violation of any purchase option, call option, right of first refusal, preemptive right, subscription right or any similar right under any provision of the DGCL, the certificate of incorporation or by-laws of USAi or any Contract to which USAi is a party or otherwise bound. Other than (i) options to purchase an aggregate of 82,130,198 shares of USAi Common Stock issued pursuant to employee benefit plans and agreements of USAi as of the date hereof, (ii) USANi Shares entitling the holders thereof to acquire, in the aggregate, 181,366,238 shares of USAi Common Stock and 146,570,000 shares of USAi Class B Common Stock, (iii) 31,620,064 shares of USAi Common Stock and 1,596,544 shares of USAi Class B Common Stock issuable upon the exchange of shares of Home Shopping Network, Inc., (iv) 1,137,498 shares of USAi Common Stock issuable upon conversion of USAi's 7% Convertible Subordinated Debentures due July 1, 2003, (v) 167,994 shares of USAi Common Stock issuable upon the exercise of outstanding warrants, (vi) 452,500 shares of USAi Common Stock issuable under various restricted stock grants, (vii) up to 54,271,825 shares of USAi Common Stock issuable pursuant to the Expedia Agreement (including 25,739,216 shares of USAi Common Stock issuable upon the conversion of shares of USAi Preferred Stock issuable pursuant to the Expedia Agreement), (viii) up to 13,125,000 shares of USAi Preferred Stock issuable pursuant to the Expedia Agreement and (ix) up to 16,965,000 shares of USAi Common Stock issuable upon the exercise of warrants issuable pursuant to the Expedia Agreement, as of the date hereof, except in connection with this Agreement and the Transactions contemplated hereby, or as set forth in the Investment Agreement, the Governance Agreement, the Stockholders Agreement, the Exchange Agreement and the USANi LLC Agreement, as of the Reference Date there were not any options, warrants, rights, convertible or exchangeable securities, "phantom" stock rights, stock appreciation rights, stock-based performance units, commitments, Contracts or undertakings of any kind to which USAi is a party or by which USAi is bound (i) obligating USAi to issue, deliver or sell, or cause to be issued, delivered or sold, additional shares of capital stock or other equity interests in, or any security convertible or exercisable for or exchangeable into any capital stock of or other equity interest in, USAi, (ii) obligating USAi to issue, grant, extend or enter into any such option, warrant, call, right, security, commitment, Contract, arrangement or undertaking or (iii) that give any Person the right to receive any economic benefit or right similar to or derived from the economic benefits and rights occurring to holders of USAi Shares.

(b) USAi has full power to execute and deliver the Warrants, and the Warrants have been, or as of the Closing Date will be, duly authorized by USAi and, when duly executed, issued and delivered, will be duly and validly issued and outstanding and will constitute valid and legally binding obligations of USAi, entitled to the benefits of the Warrant Agreement and enforceable against USAi in accordance with their terms. As of the Closing Date, (i) 60,467,735 shares of USAi Common Stock, adjusted as set forth in Section 2.04 or pursuant to Section 4.1(f) of the Warrant Agreement, shall be issuable upon the exercise of the Warrants and (ii) such shares of USAi Common Stock have been or, prior to the Closing Date, will be duly and validly authorized and reserved for issuance upon exercise of the Warrants and, when issued upon such exercise, will be validly issued, fully paid and nonassessable.

SECTION 3.05. The Contributed Subsidiaries. USAi represents and warrants to Universal that, (a) Schedule 3.05(a) sets forth, for each Contributed Subsidiary, the amount of its authorized capital stock or other ownership interests, the amount of its outstanding capital stock or other ownership interests and the record and beneficial owners of its outstanding capital stock or other ownership interests. Except as set forth on Schedule 3.05(a), there are no shares of capital stock or other ownership interests in any such Contributed Subsidiary issued, reserved for issuance or outstanding. All the outstanding shares of capital stock or other ownership interests of each such Contributed Subsidiary have been duly authorized and validly issued and are fully paid and non-assessable and not subject to or issued in violation of any purchase option, call option, right of first refusal, preemptive right, subscription right or any similar right under any provision of the DGCL, if applicable, the certificate of incorporation, by-laws or other organizational documents of such Contributed Subsidiary or any Contract to which such Contributed Subsidiary is a party or otherwise bound. There are not any bonds, debentures, notes or other indebtedness of any such Contributed Subsidiary having the right to vote (or convertible into, or exchangeable for, securities having the right to vote) on any matters on which holders of capital stock or other ownership interests of such Contributed Subsidiary may vote ("Voting Subsidiary Debt"). Except as set forth above, as of the date hereof, there are not any options, warrants, rights, convertible or exchangeable securities, "phantom" stock rights, stock appreciation rights, stock-based performance units, commitments, Contracts or undertakings of any kind to which any such Contributed Subsidiary is a party or by which any of them is bound (i) obligating such Contributed Subsidiary to issue, deliver or sell, or cause to be issued, delivered or sold, additional shares of capital stock or other ownership interests in, or any security convertible or exercisable for or exchangeable into any capital stock of or other ownership interests in, any such Contributed Subsidiary or Voting Subsidiary Debt, (ii) obligating such Contributed Subsidiary to issue, grant, extend or enter into any such option, warrant, call, right, security, commitment, Contract, arrangement or undertaking or (iii) that give any Person the right to receive any economic benefit or right similar to or derived from the economic benefits and rights occurring to holders of capital stock or other ownership interests of such Contributed Subsidiary. As of the date hereof, there are not any outstanding contractual obligations of any such Contributed Subsidiary to repurchase, redeem or otherwise acquire any shares of capital stock of such Contributed Subsidiary.

(b) (i) Except for ownership interests in its wholly owned subsidiaries and the ownership interests set forth on Schedule 3.05(b), as of the date hereof, no Contributed Subsidiary owns, directly or indirectly, any capital stock, membership interest, partnership interest, joint venture interest or other equity interest in any Person, other than any interest in



special purpose subsidiaries formed in connection with motion picture or television production projects, and (ii) the Contributed Subsidiaries do not own (or will not own as of the Closing), directly or indirectly, any Excluded Assets and are not (or will not be) liable (after giving effect to the indemnification provisions of Article VII) in respect of any Excluded Liabilities.

SECTION 3.06. Financial Statements; No Undisclosed Liabilities.

(a) USAi represents and warrants to Universal that (i) the consolidated financial statements of USAi included in the documents filed by USAi with the SEC since January 1, 2000, through the date hereof (the "USAi SEC Documents") comply as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto, have been prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP") (except, in the case of unaudited statements, as permitted by Form 10-Q of the SEC) applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto) and present fairly, in all material respects, the consolidated financial position of USAi and its consolidated subsidiaries as of the dates thereof and the consolidated results of their operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments). Except as set forth in the USAi SEC Documents, as of the date of this Agreement, neither USAi nor any of its subsidiaries has any liabilities or obligations of any nature (whether accrued, absolute, contingent or otherwise) required by U.S. GAAP to be set forth on a consolidated balance sheet or in the notes thereto and that, individually or in the aggregate, would have a Material Adverse Effect.

(ii) USAi has delivered to Universal a copy of the unaudited interim balance sheet of USAi's Existing Business as of September 30, 2001 (the "Balance Sheet"). The Balance Sheet has been prepared in accordance with U.S. GAAP, from the books and records of USAi, and presents fairly, in all material respects, the financial position of USAi's Existing Business as of the date thereof, subject to normal year-end adjustments. Except as set forth in the Balance Sheet, as of the date thereof, neither USAi nor any of its subsidiaries had any liabilities or obligations of any nature (whether accrued, absolute, contingent or otherwise) arising primarily out of the conduct of USAi's Existing Business and required by U.S. GAAP to be set forth on a consolidated balance sheet or in the notes thereto and that, individually or in the aggregate, would have a Material Adverse Effect.

(b) Universal represents and warrants to USAi that the consolidated financial statements of Vivendi included in the documents filed by Vivendi with the SEC since January 1, 2000, through the date hereof (the "Vivendi SEC Documents") comply as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto, have been prepared in accordance with generally accepted accounting principles in France ("French GAAP") applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto) and present fairly, in all material respects, the consolidated financial position of Vivendi and its consolidated subsidiaries as of the dates thereof and the consolidated results of their operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments). Except as set forth in the Vivendi SEC Documents, as of the date of this Agreement, neither Vivendi nor any of its subsidiaries has any liabilities or obligations of any nature (whether accrued, absolute, contingent or otherwise) required by French GAAP to be set forth on a consolidated balance

sheet or in the notes thereto and that, individually or in the aggregate, would have a Material Adverse Effect.

SECTION 3.07. Contracts. USAi's SEC Reports complied in all material respects with the disclosure requirements of Item 601 of Regulation S-K. Except as set forth on Schedule 3.07 and except as would not have a Material Adverse Effect, all of the Material Contracts are in full force and effect and are valid and binding agreements of USAi or its Affiliates and, to the knowledge of USAi, the other parties thereto, enforceable in accordance with their terms. Except as set forth on Schedule 3.07, to the knowledge of USAi, no party is in default in any material respect under any of the Material Contracts, nor does any condition exist that with notice or the lapse of time or both would constitute such a default. Except for the need to obtain the Consents listed on Schedule 3.03 and except as would not have a Material Adverse Effect, the Transactions will not affect the validity or enforceability of any of the Material Contracts. Except as set forth on Schedule 3.07 or as would not have a Material Adverse Effect, as of the date of this Agreement, no party to any Material Contract has informed USAi or, to USAi's knowledge, its Affiliates, of its intention (x) to terminate such Material Contract or amend the material terms thereof, (y) to refuse to renew such Material Contract upon expiration of its term, or (z) to renew such Material Contract upon expiration only on terms and conditions that are more onerous to its Existing Business, as the case may be, than those now existing.

SECTION 3.08. Contributed Assets. (a) Such Parent Party owns, directly or indirectly, and has good and valid title to all such Parent Party's Contributed Assets, free and clear of all Liens, except Permitted Liens.

(b) Neither such Parent Party nor any of its Affiliates owns (or will own as of the Closing) any asset, property or right, tangible or intangible, that is primarily used in the business or operations of its Existing Business, other than, in each case, such assets, properties and rights that are being Contributed to the Partnership in accordance with this Agreement. Such Parent Party's Contributed Assets are sufficient for the conduct of its business by the Partnership immediately following the Closing in substantially the same manner as currently conducted by such Parent Party.

SECTION 3.09. Real Property. No fee estates are included in the Material Real Property. Except as set forth on Schedule 3.09, USAi or an Affiliate thereof has good title to all the Material Real Property, free and clear of all Liens or other restrictions on the Material Real Property, except for Permitted Liens. Except for that portion of the Material Real Property subject to leases where USAi is lessor or sublessor and except as would not have a Material Adverse Effect, USAi is in possession of, and has full legal and practical access to, the Material Real Property. As of the date hereof there are no pending or, to the knowledge of USAi, threatened condemnation or appropriation proceedings against any of the Material Real Property, except as would not have a Material Adverse Effect. With respect to each leasehold or subleasehold interest included in the Material Real Property, USAi or its Affiliate has enforceable rights to nondisturbance and quiet enjoyment, and no third party holds any interest in the leased premises with the right to foreclose upon such leasehold or subleasehold interest, except as would not have a Material Adverse Effect.

SECTION 3.10. Intangible Property. Except (i) as set forth on Schedule 3.10 or (ii) as has arisen in the ordinary course of business consistent with past practice and without material diminution of the value thereof, to the knowledge of USAi, no other person has any claim of ownership or right of use with respect to its Intangible Property. The use of such Intangible Property by USAi's Existing Business does not, and the use by the Partnership immediately after the Closing will not, conflict with, infringe upon, violate, or interfere with or constitute an appropriation of any right, title, interest, or goodwill, including any intellectual property right, patent, trademark, trade name, service mark, brand name, computer program, database, industrial design, copyright, or any pending application therefor of any other Person (except for such conflicts, infringements, violations or appropriations as would not have a Material Adverse Effect), and, to the knowledge of USAi, there have been no claims made, and USAi's Existing Business has not received any written notice, that any such item of Intangible Property is invalid or conflicts with the asserted rights of any Person (other than such invalidity or conflicts as would not have a Material Adverse Effect).

SECTION 3.11. Licenses. Each material License of USAi's Existing Business has been validly issued and is in full force and effect, and USAi, or an Affiliate thereof, is the authorized legal holder thereof and has complied in all material respects with all the terms and conditions thereof. As of the date hereof, there is no Proceeding pending or, to USAi's knowledge, threatened, seeking the revocation, modification (in a manner adverse to USAi's Existing Business) or limitation of any material License of USAi's Existing Business, and no such License will be subject to suspension, modification, revocation or non-renewal as a result of the execution of this Agreement or the consummation of the Transactions, except for such suspensions, modifications, revocations or non-renewals as would not have a Material Adverse Effect. USAi possesses all material Licenses to own or hold under lease and operate its Contributed Assets that are necessary to enable it to conduct its Existing Business as currently conducted.

SECTION 3.12. Absence of Changes or Events. Except as set forth on Schedule 3.12 and except as disclosed in such Parent Party's SEC Reports, since December 31, 2000 through the date hereof, (i) such Parent Party has caused its Existing Business to be conducted in the ordinary course and in substantially the same manner as previously conducted and (ii) there has not been any Material Adverse Effect.

SECTION 3.13. Compliance with Applicable Laws. Except as disclosed in such Parent Party's SEC Reports, the Existing Business of such Parent Party has been and is presently being conducted in compliance with all Applicable Laws, including those relating to the environment, except for instances of noncompliance that, individually or in the aggregate, would not have a Material Adverse Effect. Except as set forth on Schedule 3.13, (i) neither such Parent Party nor any of its Affiliates has received any written communication during the past year from a Governmental Entity that alleges that its Existing Business is not in compliance in any material respect with any Applicable Laws and (ii) neither such Parent Party nor any of its Affiliates has received any written notice that any investigation or review by any Governmental Entity with respect to any of its Contributed Assets or its Existing Business is pending or that any such investigation is contemplated.

SECTION 3.14. Litigation. Except as set forth on Schedule 3.14 or as disclosed in such Parent Party's SEC Reports, there are not any (i) outstanding Judgments against or affecting such Parent Party, its Affiliates or its Contributed Assets or Contributed Subsidiaries, or (ii) claims, actions, suits, proceedings, arbitrations, investigations, inquiries, or hearings or notices of hearings (collectively, "Proceedings") pending or, to the knowledge of such Parent Party, threatened against or affecting such Parent Party, its Affiliates or its Contributed Assets or Contributed Subsidiaries, by or against any Governmental Entity or any other Person, that in any manner challenges or seeks to prevent, enjoin, materially alter or materially delay the Transactions or that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

SECTION 3.15. Universal Contributed Interests. Universal represents and warrants to USAi that, as of the Closing Date, all the outstanding shares of capital stock or other ownership interests of each Universal Contributed Interest will have been duly authorized and validly issued and will have been fully paid and non-assessable and not subject to or issued in violation of any purchase option, call option, right of first refusal, preemptive right, subscription right or any similar right under any provision of the DGCL, if applicable, the certificate of incorporation, by-laws or other organizational documents of such Universal Contributed Interest or any Contract to which such Universal Contributed Interest is a party or otherwise bound. As of the Closing Date, there will not be any bonds, debentures, notes or other indebtedness of any such Universal Contributed Interest having the right to vote (or convertible into, or exchangeable for, securities having the right to vote) on any matters on which holders of capital stock or other ownership interests of such Universal Contributed Interest may vote ("Voting Contributed Interest Debt"). As of the Closing Date, there will not be any options, warrants, rights, convertible or exchangeable securities, "phantom" stock rights, stock appreciation rights, stock-based performance units, commitments, Contracts or undertakings of any kind to which any such Universal Contributed Interest is a party or by which any of them is bound (i) obligating such Universal Contributed Interest to issue, deliver or sell, or cause to be issued, delivered or sold, additional shares of capital stock or other ownership interests in, or any security convertible or exercisable for or exchangeable into any capital stock of or other ownership interests in, any such Universal Contributed Interest or Voting Contributed Interest Debt, (ii) obligating such Universal Contributed Interest to issue, grant, extend or enter into any such option, warrant, call, right, security, commitment, Contract, arrangement or undertaking or (iii) that give any Person the right to receive any economic benefit or right similar to or derived from the economic benefits and rights occurring to holders of capital stock or other ownership interests of such Universal Contributed Interest.

(b) As of the Closing Date, the Universal Contributed Interests will not own, directly or indirectly, any Excluded Assets and will not be liable (after giving effect to the indemnification provisions of Article VII) in respect of any Excluded Liabilities.

SECTION 3.16. Brokers or Finders. No agent, broker, investment banker or other firm or person is or will be entitled to receive from a Parent Party or its Affiliates or the Partnership any broker's or finder's fee or any other commission or similar fee in connection with any of the Transactions, except (i) as to Universal and its Affiliates, Goldman, Sachs & Co., whose fees and expenses will be paid by Universal, and (ii) as to USAi and its Affiliates, Allen & Co. and Bear, Stearns & Co., whose fees and expenses will be paid by USAi.

SECTION 3.17. Investment Intent. Such Parent Party understands that (i) the interests in the Partnership to be issued to it as contemplated by the Partnership Agreement have not been, and will not be, registered under the Securities Act of 1933, as amended, or under any state securities laws, and are being offered and sold in reliance upon federal and state exemptions for transactions not involving any public offering, and (ii) to the extent it or any of its Affiliates acquires any of the interests in the Partnership as contemplated by the Partnership Agreement, it or such Affiliate will be acquiring such shares solely for its own account for investment purposes, and not with a view to the distribution thereof.

SECTION 3.18. Tax Matters. (a) All material Returns required to be filed by such Parent Party for taxable periods ending on or prior to the Closing Date by, or with respect to, its Existing Business have been or will be filed in accordance with all applicable laws, and all Taxes due have been or will be paid, except where the failure to so file or so pay would not reasonably be expected to have, in the aggregate, a Material Adverse Effect.

(b) USAi represents and warrants that, except as set forth on Schedule 3.18(b), each entity to be Contributed to the Partnership by USAi or USANi Sub pursuant to this Agreement and Section 3.01 of the Partnership Agreement will be treated as a pass-through entity for U.S. federal income tax purposes at the time of contribution.

SECTION 3.19. Employee Matters. For purposes hereof, "USAi Benefit Arrangements" shall mean all material employee benefit plans or arrangements that cover any employee of USAi's Existing Business (the "USAi Business Employees") including any employment, severance, or other similar contract, arrangement or policy and each plan or arrangement (written or oral) providing for insurance coverage (including any self-insured arrangements), workers' compensation, disability benefits, supplemental unemployment benefits, vacation benefits, or retirement benefits or for deferred compensation, profit-sharing, bonuses, stock options, stock appreciation rights, stock purchases, or other forms of incentive compensation or post-retirement insurance, compensation, or benefits.

(b) No USAi Benefit Arrangement is an "employee pension benefit plan," as defined in Section 3(2) of ERISA (an "USAi Pension Plan"), that is subject to Title IV of ERISA or Section 412 of the Code, and no USAi Benefit Arrangement provides post-retirement welfare benefits, except as required by law. Neither USAi nor any of its Affiliates has incurred or expects to incur any liability or lien under Title IV of ERISA or Section 412 of the Code, which liability or lien would be reasonably expected to have a Material Adverse Effect.

(c) Without limiting the generality of Section 3.19(b), except as set forth on Schedule 3.19(c) to be provided within 10 Business Days hereafter, no USAi Benefit Arrangement or employee benefit plans of any of its Affiliates or any entity required to be combined with USAi or any of its Affiliates under Section 414(b), Section 414(c), Section 414(m), or Section 414(o) of the Code (an "ERISA Affiliate") is a "multiemployer pension plan," as defined in Section 3(37) of ERISA, and neither USAi nor any of its Affiliates nor any of its ERISA Affiliates has incurred or expects to incur any liability or lien with respect to any multiemployer pension plan which liability or lien would be reasonably expected to have a Material Adverse Effect.

(d) Except as set forth on Schedule 3.19(d), none of USAi, any of its Affiliates, or any of its ERISA Affiliates has incurred, or expects to incur solely as a result of the consummation of the Transactions (including any termination of employment in connection therewith), any cost, fee, expense, liability, claim, suit, obligation, or other damage with respect to any USAi Pension Plan, or any USAi Benefit Arrangement that could give rise to the imposition of any liability, cost, fee, expense, or obligation on the Partnership or any of its Affiliates, which would be reasonably expected to have a Material Adverse Effect, and, to USAi's knowledge, no facts or circumstances exist that could give rise to any such cost, fee, expense, liability, claim, suit, obligation, or other damage, which would be reasonably expected to have a Material Adverse Effect. Except as set forth on Schedule 3.19(d), neither the execution and delivery of this Agreement nor the consummation of the Transactions (including any terminations of employment in connection therewith) will (i) increase any benefits otherwise payable under any USAi Benefit Arrangement, which would be reasonably expected to have a Material Adverse Effect or (ii) result in the acceleration of the time of payment or vesting of any such payment, which would be reasonably expected to have a Material Adverse Effect.

(e) USAi will deliver or make available to Universal within ten business days hereafter true and complete copies of each of the following documents:

(i) each USAi Benefit Arrangement (and, if applicable, related trust agreements) and all amendments thereto, and (if applicable) each summary plan description together with any summary of material modifications;

(ii) each written USAi Benefit Arrangement and written descriptions thereof that has been distributed to the USAi Business Employees (including descriptions of the number and level of employees covered thereby); and

(iii) each employee handbook or similar document describing any USAi Benefit Arrangement applicable to the USAi Business Employees.

(f) Except as set forth on Schedule 3.19(f) to be provided within 10 Business Days hereafter, no controversies, disputes or proceedings are pending or, to USAi's knowledge, threatened, between USAi or any of its Affiliates, and any of the USAi Business Employees, which would be reasonably expected to have a Material Adverse Effect. Except as set forth on Schedule 3.19(f) to be provided within 10 Business Days hereafter, no labor union or other collective bargaining unit represents or, to USAi's knowledge, claims to represent any USAi Business Employees and, to USAi's knowledge, there is no union campaign being conducted to solicit cards from employees to authorize a union to request a National Labor Relations Board Certification election with respect to any USAi Business Employees.

(g) Except where any such failure would not be reasonably expected to have a Material Adverse Effect, all USAi Benefit Arrangements (i) comply in all material respects with Applicable Law, including but not limited to ERISA and the Code, and (ii) have been administered in all material respects in accordance with their terms, and all required contributions have been made to such USAi Benefit Arrangements. Except as set forth on Schedule 3.19(g), all USAi Pension Plans that are intended to be qualified under Section 401(a)

of the Code have received a favorable determination letter from the Internal Revenue Service, and USAi has no knowledge of any events that would cause such letter to be revoked.

#### ARTICLE IV

##### Agreements and Covenants -----

SECTION 4.01. Covenants Relating to Conduct of Business. (a) Except for matters set forth in Schedule 4.01 or otherwise expressly permitted by the terms of this Agreement, from the date hereof to the Closing, each Parent Party shall cause its respective Existing Business to be conducted in the usual, regular and ordinary course in substantially the same manner as previously conducted (including with respect to advertising, promotions, capital expenditures and inventory levels) and use all reasonable efforts to keep intact the respective businesses of such Parent Party's Existing Business, keep available the services of their current employees and preserve their relationships with customers, suppliers, licensors, licensees, distributors and others with whom they deal to the end that their respective businesses shall be unimpaired at the Closing. Each Parent Party shall not, and shall not permit any of its Affiliates to, take any action that would, or that could reasonably be expected to, result in any of the conditions set forth in Article V not being satisfied. In addition (and without limiting the generality of the foregoing), except as set forth in Schedule 4.01 or otherwise expressly permitted or required by the terms of this Agreement, each Parent Party shall not, and shall not permit any of its Affiliates to, do any of the following in connection with its Existing Business without the prior written consent of the other Parent Party:

(i) with respect to any of its Contributed Subsidiaries, amend its Organizational Documents, except as is necessary to consummate the Transactions;

(ii) other than sweeping cash in the ordinary course of business consistent with past practice, make any declaration or payment of any dividend or any other distribution in respect of its equity interest in any Contributed Subsidiary;

(iii) with respect to any of its Contributed Subsidiaries, redeem or otherwise acquire any shares of its capital stock or issue any capital stock (except upon the exercise of outstanding options) or any option, warrant or right relating thereto or any securities convertible into or exchangeable for any shares of such capital stock;

(iv) incur or assume any indebtedness for borrowed money or guarantee any such indebtedness in connection with its Existing Business;

(v) permit, allow or suffer any Contributed Assets to become subjected to any Lien of any nature whatsoever, except Permitted Liens;

(vi) cancel any material indebtedness (individually or in the aggregate) or waive any claims or rights of substantial value relating to its Existing Business;

(vii) except for intercompany loans among Contributed Subsidiaries in the ordinary course of business or transactions in the ordinary course, consistent with past practice and not material in amount, pay, loan or advance any amount to, or sell, transfer

or lease any of its assets to, or enter into any agreement or arrangement with any of its Affiliates;

(viii) make any change in any method of financial accounting or financial accounting practice or policy of its Existing Business other than those required by generally accepted accounting principles;

(ix) make any change in the methods or timing of collecting receivables or paying payables with respect to its Existing Business;

(x) other than in the ordinary course of business, make or incur any capital expenditure in connection with its Existing Business that is not currently approved in writing or budgeted;

(xi) sell, lease, license or otherwise dispose of any of the assets of its Existing Business, except inventory, programming or other goods or services sold in the ordinary course of business consistent with past practice; or

(xii) authorize any of, or commit or agree to take, whether in writing or otherwise, to do any of, the foregoing actions.

(b) Except as set forth in Schedule 4.01 or otherwise expressly permitted by the terms of this Agreement or any ancillary agreements that may be entered into in connection with the Transactions, USAi shall not, and shall not permit any of its Affiliates to:

(i) adopt or amend any USAi Benefit Arrangement (or any plan or arrangement that would be an USAi Benefit Arrangement if adopted) relating primarily to its Existing Business or enter into, adopt, extend (beyond the Closing Date), renew or amend any collective bargaining agreement or other Contract relating to its Existing Business with any labor organization, union or association, except in each case, in the ordinary course of business and consistent with past practice or as required by Applicable Law; or

(ii) (A) grant to any USAi Business Employee any increase in compensation or benefits, except grants in the ordinary course of business and consistent with past practice or as may be required under agreements in existence on the date of this Agreement or (B) grant new options or restricted stock to any USAi Business Employee except as may be required under agreements in existence on the date of this Agreement.

(c) Each Parent Party shall promptly advise the other Parent Party in writing of the occurrence of any matter or event that is material to the business, assets, financial condition, or results of operations of its Existing Business, taken as a whole.

(d) Notwithstanding any other provision of this Agreement, following the date hereof, each Parent Party shall manage its cash (including any sweeps thereof), payables and receivables relating to its Existing Business in each case in the ordinary course of business and consistent with past practice.



SECTION 4.02. Access to Information. Except as may be deemed appropriate to ensure compliance with any Applicable Laws and subject to any applicable privileges, from the date hereof to the Closing Date each Parent Party (i) shall give the other Parent Party and its authorized representatives reasonable access to the offices, properties, books and records of it relating to its Existing Business during normal business hours and upon reasonable prior notice, (ii) shall furnish to such other Parent Party and its authorized representatives such financial and operating data and other information relating to such Existing Business as such other Parent Party may reasonably request and (iii) shall instruct its employees and representatives to cooperate with such other Parent Party in its investigation of such Existing Business, all for the purpose of enabling such other Parent Party and its authorized representatives to conduct, at their own expense, business and financial reviews, investigations and studies of such Existing Business. No investigation pursuant to this Section 4.02 shall affect or otherwise obviate or diminish any representations or warranties of any Parent Party or conditions to the obligations of any Parent Party.

SECTION 4.03. Confidentiality. Each Parent Party acknowledges that the information being provided to it in connection with the consummation of the Transactions, as well as the information relating to its Existing Business that will be Contributed to the Partnership as of the Closing Date, is intended to be kept confidential, and each Parent Party shall keep confidential, and cause its Affiliates and instruct its and their officers, directors, employees and advisors to keep confidential, all such information, except as required by law or administrative process and except for information that is currently available to the public, or thereafter becomes available to the public other than as a result of a breach of this Section 4.03. The covenant set forth in this Section 4.03 shall terminate five years after the date of this Agreement.

SECTION 4.04. Reasonable Best Efforts. (a) On the terms and subject to the conditions of this Agreement, each Parent Party and its Affiliates shall use its reasonable best efforts to cause the Closing to occur as soon as practicable after the date hereof (but subject to the satisfaction of the conditions set forth in Article V), including taking all reasonable actions necessary to comply promptly with all legal requirements that may be imposed on it or any of its Affiliates with respect to the Closing.

(b) Subject to Section 2.05, prior to the Closing each Parent Party (at its own expense) shall use its reasonable best efforts to obtain, and shall cause its Affiliates to cooperate in obtaining, all consents and approvals from third parties necessary or appropriate to permit the contributions contemplated by Section 2.03 and the consummation by such Parent Party and its Affiliates of the Transactions.

(c) Following the date hereof, each Parent Party shall file promptly any forms required under applicable law and take any other action reasonably necessary in connection with obtaining the expiration or termination of the waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, to the extent applicable to the Transactions.

SECTION 4.05. Expenses; Transfer Taxes. (a) Whether or not the Closing takes place, and except as set forth in Section 6.02(b) or in Article VII, all costs and expenses incurred in connection with the preparation of the Transaction Documents and the consummation of the

Transactions shall be paid by the party incurring such costs and expenses, including all costs and expenses incurred pursuant to Section 4.04.

(b) Any liabilities, obligations or commitments for transfer, documentary, sales, use, registration, value-added and other similar Taxes, governmental fees or other like assessments or charges of any kind whatsoever and related amounts (including any penalties, interest and additions thereto) (each, a "Transfer Tax") shall be paid as follows: (i) USAi shall pay all Transfer Taxes on the contribution to the Partnership of the USANi Contributed Interests and the membership interests in USA Films pursuant to Section 2.03(a), (ii) Universal shall pay all Transfer Taxes on the contribution of the Universal Contributed Interests and the USANi Distributed Interests to the Partnership pursuant to Section 2.03(a) and (iii) each Parent Party shall pay one half of the Transfer Taxes on the distribution by USANi of the USANi Distributed Interests pursuant to Section 2.02. The Parent Party responsible for paying a Transfer Tax shall use (and cause its Affiliates to use) its reasonable efforts to avail itself of any available exemptions from any such Transfer Taxes, and the Parent Parties shall cooperate with one another in providing any information and documentation that may be necessary to obtain such exemptions.

SECTION 4.06. Distribution Agreements. (a) On the earlier to occur of (i) the Closing Date and (ii) the date on which this Agreement is terminated in accordance with Section 6.01, the Distribution Agreements shall terminate (and each Parent Party shall take all efforts necessary to effectuate the foregoing), and the parties thereto shall have no further obligations or liabilities thereunder (including under the provisions of each such agreement relating to (x) distribution obligations after termination or (y) rights of first negotiation and last refusal after termination), except with respect to services rendered prior to the date of such termination.

(b) On the Closing Date, the Ancillary Distribution Agreements shall terminate (and each Parent Party shall take all efforts necessary to effectuate the foregoing), and the parties thereto shall have no further obligations or liabilities thereunder, except with respect to services rendered prior to the date of such termination.

(c) Each Parent Party agrees, on behalf of itself and its Affiliates, that for a reasonable period of time and not less than one year following the termination of the Distribution Agreements, it or its Affiliates will make available to the other Parent Party and its Affiliates (for the domestic and international distribution of television programming produced by such Parent Party or its Affiliates), any excess capacity, under existing output agreements or otherwise, with respect to the domestic and international distribution of television programming that such Parent Party and its Affiliates are unable to use for their own programming. In connection with the termination of the agreements set forth in Section 4.06(a), Universal and USAi shall cooperate and act in good faith (i) to continue to provide television distribution, including access to output agreements, for a period of one-year following the termination date under Section 4.06(a) on terms and conditions (not including with respect to exclusivity, non-compete and the like) consistent with past practice, and (ii) to provide for the orderly wind down of any in-process commitments or obligations so as not to unreasonably disrupt the Existing Businesses.

SECTION 4.07. Publicity. From the date hereof through the Closing Date, no public release or announcement concerning the Transactions shall be issued by any party or any of its Affiliates without the prior consent of the other parties (which consent shall not be unreasonably withheld), except as such release or announcement may be required by law or the rules or regulations of any United States or foreign securities exchange or commission (in which case the party required to make the release or announcement shall allow the other parties reasonable time to comment on such release or announcement in advance of such issuance); provided, however, that a party may make internal announcements to its and its Affiliates' employees that are consistent with the parties' prior public disclosures regarding the Transactions.

SECTION 4.08. Further Assurances. (a) From time to time prior to and after the Closing, as and when reasonably requested by another party, each party shall execute and deliver, or cause to be executed and delivered, all such documents and instruments and shall take, or cause to be taken, all such further or other actions (subject to Section 4.04), as such other party may reasonably deem necessary or desirable to consummate the Transactions.

(b) Universal and its Affiliates and Liberty and its Affiliates shall use their respective reasonable best efforts (subject to the terms of the Universal/Liberty Merger Agreement) to cause the conditions to closing set forth in Sections 6.01, 6.02 and 6.03 of the Universal/Liberty Merger Agreement to be satisfied as promptly as practicable. Universal and its Affiliates shall not, without USAi's written consent, terminate the Universal/Liberty Merger Agreement (other than pursuant to Section 7.01(a)(iv) thereof) or amend the Universal/Liberty Merger Agreement in any manner that would (i) delay the consummation of the Transactions in any material respect, or (ii) increase the consideration payable to Liberty and/or its Affiliates thereunder, other than in connection with any amendments entered into pursuant to Section 5.01(d) of the Universal/Liberty Merger Agreement.

(c) In the event that at any time or from time to time after the Closing, any Parent Party (or its Affiliates) shall receive or otherwise possess any Contributed Asset that was not assigned or otherwise transferred to the Partnership at the Closing, such Parent Party shall promptly use its reasonable best efforts to transfer, or cause to be transferred, such asset to the Partnership. Prior to any such transfer, the Parent Party (or its Affiliates) possessing such asset shall hold such asset (and all earnings generated by such asset from and after the Closing) in trust for the Partnership.

SECTION 4.09. Board Recommendation. Neither the USAi Board nor any committee thereof shall withdraw or modify in a manner adverse to Universal, or propose to withdraw or modify, in a manner adverse to Universal, the approval or recommendation by the USAi Board or any such committee of this Agreement, the other Transaction Documents to which USAi is a party or the Transactions. Notwithstanding the foregoing, if, prior to the USAi Stockholder Approvals, (a) a majority of the Special Committee determines in good faith, following receipt of the advice of outside counsel, that it is necessary to do so in order to comply with its fiduciary obligations, the Special Committee may withdraw or modify its recommendation of this Agreement, the other Transaction Documents to which USAi is a party and the Transactions, and (b) a majority of the USAi Board determines in good faith, following receipt of the advice of outside counsel, that it is necessary to do so in order to comply with its

fiduciary obligations, the USAi Board may withdraw or modify its recommendation to USAi's stockholders of this Agreement, the other Transaction Documents to which USAi is a party and the Transactions; provided that neither the Special Committee nor the USAi Board may take any action that would result in USAi's stockholders no longer being legally capable under the DGCL of approving or authorizing this Agreement or the Transactions.

SECTION 4.10. Preparation of Proxy Statement; Stockholders Meeting. (a) As soon as practicable after execution of this Agreement, USAi shall prepare and file with the SEC a preliminary Proxy Statement, in form and substance reasonably satisfactory to Universal, and shall use its reasonable best efforts to respond, after consultation with Universal, as promptly as practicable to any comments of the SEC with respect thereto. USAi shall notify Universal promptly of the receipt of any comments from the SEC or its staff and of any request by the SEC or its staff for amendments or supplements to the Proxy Statement or for additional information. USAi shall supply Universal with copies of all correspondence between it or its representatives, on the one hand, and the SEC or its staff, on the other hand, with respect to the Proxy Statement. Universal shall cooperate with USAi in providing any information or responses to comments, or other assistance, reasonably requested in connection with the foregoing. If at any time prior to receipt of the USAi Stockholder Approvals there shall occur any event that should be set forth in an amendment or supplement to the Proxy Statement, USAi shall promptly prepare and mail to its stockholders such an amendment or supplement. USAi shall use its reasonable best efforts to cause the Proxy Statement to be mailed to its stockholders as promptly as practicable after filing with the SEC. The Proxy Statement shall comply in all material respects with all applicable requirements of law. None of the information supplied or to be supplied by Vivendi, USAi or their respective Affiliates for inclusion or incorporation by reference in the proxy statement will contain any untrue statement of material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading.

(b) USAi shall duly call, give notice of, convene and hold a meeting of its stockholders (the "USAi Stockholders Meeting") for the purpose of seeking the USAi Stockholder Approvals as soon as practicable after the filing of the definitive Proxy Statement. USAi shall, through the USAi Board, recommend to its stockholders that they give the USAi Stockholder Approvals, except to the extent that the USAi Board shall have withdrawn or modified its recommendation to USAi's stockholders of this Agreement and the Transactions as permitted by Section 4.09. USAi agrees that its obligations pursuant to this Section 4.10 shall not be affected by the withdrawal or modification by the USAi Board or any committee thereof of such Board's or such committee's recommendation to USAi's stockholders of this Agreement or the Transactions.

(c) Subject to clause (b) of this Section 4.10, each Parent Party shall use its reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other Parent Party in doing, all things necessary, proper or advisable to obtain the USAi Stockholder Approvals.

(d) At any meeting of the stockholders of USAi called to seek the USAi Stockholder Approvals or in any other circumstances upon which a vote, consent or other approval (including by written consent) with respect to this Agreement or the Transactions is sought, such Parent Party or Diller, as applicable, shall vote (or cause to be voted) any USAi

Common Stock over which such Parent Party or Diller, as applicable, has the power to vote in favor of granting the USAi Stockholder Approvals.

SECTION 4.11. Commercial Arrangements. (a) Each of USAi and Vivendi shall enter into (or cause their respective Affiliates to enter into) a series of strategic and commercial alliances with one another covering the transactional and internet businesses of each of USAi and Vivendi and their respective Affiliates on the Closing Date; provided, that if such alliances are not entered into on or prior to the Closing Date, the obligations under this provision shall continue after the Closing Date. The commitment to enter into such agreements is an integral part of the Transactions and each of USAi and Vivendi and their respective Affiliates shall negotiate in good faith the terms thereof, which shall be mutually beneficial and on mutually satisfactory terms and designed to treat each of USAi and Vivendi and their respective Affiliates as a "preferred partner" of the other.

(b) The Parent Parties shall negotiate in good faith to enter into an agreement on the Closing Date pursuant to which the Partnership will provide affiliate distribution of the Home Shopping Network, America's Store and other transactional services (such as a travel network) on an arm's-length basis; provided, that if such agreement is not entered into on or prior to the Closing Date, the obligations to provide such affiliate distribution shall continue after the Closing Date.

(c) The Parent Parties agree to the arrangements set forth on Schedule 4.11(c).

(d) The failure to enter into any of the agreements set forth in this Section 4.11 prior to the Closing Date will not constitute a failure of the condition set forth in Section 5.02(b).

SECTION 4.12. Tax Matters. (a) The Parent Parties intend that the Partnership be treated as a partnership for United States federal income tax purposes and agree to take no actions inconsistent with such treatment. The Parent Parties agree, except as otherwise required pursuant to a final determination within the meaning of Section 1313(a)(1) of the Code, to treat the transactions contemplated by Section 2.02 as a distribution by USANi to Universal and/or its Affiliates governed by Section 731 of the Code and the transactions contemplated by Sections 2.03 as a contribution of property to the Partnership governed by Section 721(a) of the Code and a distribution by the Partnership to USANi Sub, in each case that will not result in recognition of gain or loss by any Parent Party or any of their respective Affiliates under any provision of the Code or the Treasury Regulations thereunder.

(b) To the extent any entity to be Contributed to the Partnership by Universal pursuant to this Agreement and Section 3.01 of the Partnership Agreement is treated as other than a pass-through entity for U.S. federal income tax purposes, Universal shall take all reasonable actions necessary to cause such entity (or its successor) to be treated as a pass-through entity for U.S. federal income tax purposes (a "Conversion"), provided that Universal has determined in good faith that (i) neither Universal nor any of its Affiliates shall suffer a material tax detriment or any other material cost as a result of such Conversion and (ii) such Conversion is not prohibited by applicable contract or law.

(c) Subject to Universal delivering to USAi a schedule setting forth Universal's (or any of its Affiliate's) adjusted tax basis in any assets that were contributed to USANi or any of its subsidiaries by Universal (or any of its Affiliates) in a transaction in which USANi or any of its subsidiaries took a transferred basis, USAi will deliver to Universal no later than 30 days prior to the Closing Date a schedule setting forth to USAi's best knowledge USANi Sub's tax basis, immediately after the Effective Time, in its interest in the Partnership.

(d) No later than 30 days prior to the Closing Date, USAi shall deliver to Universal a schedule setting forth, to the best knowledge of USAi, the adjusted tax basis of USAi or USANi Sub, as the case may be, in each of the assets to be contributed by USAi or USANi Sub, as the case may be, to the Partnership.

SECTION 4.13. Agreement Not To Compete. (a) USAi understands that the Partnership shall be entitled to protect and preserve the going concern value of USAi's Existing Business to the extent permitted by law and that Universal would not have entered into this Agreement absent the provisions of this Section 4.13 and, therefore, for a period from the Closing Date until the date that is the later of (1) 18 months after the Closing Date and (2) six calendar months after the date upon which Diller ceases to be the CEO of the Partnership, USAi shall not, and shall cause each of its controlled Affiliates not to, directly or indirectly:

(i) engage in the Business or acquire any interest in any Person engaged in the Business; and

(ii) (A) solicit, recruit or hire any employees of any Existing Business or the Partnership or Persons who have worked for any Existing Business or the Partnership, in each case other than employees who perform solely clerical functions for such Persons, (B) solicit or encourage any employee of any Existing Business or the Partnership to leave the employment of any Existing Business or the Partnership, in each case other than employees who perform solely clerical functions for such Persons, and (C) disclose or furnish to anyone any confidential information relating to its Existing Business or the Partnership or otherwise use such confidential information for its own benefit or the benefit of any other Person; provided that the non-solicitation provisions of clauses (A) and (B) shall be deemed not breached by any advertisement or general solicitation that is not specifically targeted at the employees or Persons referred to therein;

provided, further, that if at any time after 18 months after the Closing Date (x) Diller shall cease to be the CEO or an officer of USAi or any of its Affiliates but shall still be the CEO of the Partnership, or (y) Diller resigns as CEO of the Partnership for Good Reason or is terminated without Cause (each, as defined in the Partnership Agreement), then the restrictions set forth in this Section 4.13(a) shall cease to apply. Notwithstanding the foregoing, USAi agrees that it shall not restructure, reorganize or take any other action in an effort to circumvent the terms or intent of this Section 4.13(a).

(b) Section 4.13(a) shall be deemed not breached as a result of the ownership by USAi or any of its Affiliates of: (i) interests in the Partnership, (ii) less than an aggregate of 5% of any class of stock of a Person engaged, directly or indirectly, in the Business; provided, however, that such stock is listed on a national securities exchange, (iii) Vivendi ordinary shares

as the result of the exercise of a put or a call under Section 10.03 of the Partnership Agreement, (iv) less than 10% in value of any instrument of indebtedness of a Person engaged, directly or indirectly, in the Business, and (v) the whole or any part of an acquired Person or business which carries on the Business, where less than 30% of such Person's revenues are generated by the Business, and USAi or its Affiliates will dispose of such Business within six months of its acquisition, provided that such disposition may be delayed pending receipt of required regulatory approvals.

(c) USAi agrees that this covenant is reasonable with respect to its duration and scope. If, at the time of enforcement of this Section 4.13, a court holds that the restrictions stated herein are unreasonable under the circumstances then existing, the parties hereto agree that the period and scope legally permissible under such circumstances will be substituted for the period and scope stated herein.

SECTION 4.14. USAi Partnership Interests . USAi covenants and agrees that at all times its interests in the Partnership shall be held directly by USAi or by a wholly owned direct or indirect subsidiary of USAi, provided, however, that this covenant shall not be deemed to be breached solely as a result of the fact that Home Shopping Network, Inc. is not a wholly owned subsidiary of USAi, so long as Liberty and USAi remain the only shareholders of Home Shopping Network, Inc. and Liberty's ownership percentage of Home Shopping Network, Inc. does not increase materially.

SECTION 4.15. Officers of the Partnership. Universal shall cause Diller to be appointed as the CEO and Chairman of the Partnership, as contemplated by the Partnership Agreement.

SECTION 4.16. Partnership Agreement Obligations. Vivendi shall comply with the terms of Section 10.03 of the Partnership Agreement and Universal shall comply with the terms of Sections 8.07 and 10.03 of the Partnership Agreement, in each case, as if it were a party to such agreement. Vivendi shall cause the general partner of the Partnership to perform all of its obligations as the general partner under the Partnership Agreement.

SECTION 4.17. Committed LLC Shares; Committed Common Equity. (a) Between the date hereof and the Closing, Universal shall not, and shall not permit any of its Affiliates to, sell, transfer, pledge, encumber, assign or otherwise dispose of, or enter into any contract, option or other arrangement or understanding with respect to the sale, transfer, pledge, encumbrance, assignment or other disposition of, the Committed LLC Shares. Any transfer of Committed LLC Shares not permitted hereby shall be null and void.

(b) As of the Closing, V-USA Holding LLC, USI-USA Holding LLC, USIE-USA Holding LLC, SUB I-USA Holding LLC (collectively, the "USA Holding Entities"), Vivendi, Universal and USAi shall execute, deliver and consummate the transactions contemplated by the Assignment Agreement. Following the Closing and until such time that the obligations in Section 8.07 of the Partnership Agreement are satisfied, Universal and its Affiliates shall at all times retain at least 43,181,308 shares of USAi Common Stock and 13,430,000 shares of USAi Class B Common Stock (as adjusted for stock splits and the like, together, the "Committed Common Equity"), in each case, free of any Liens, except Permitted

Liens. To the extent that some, but not all, of the Committed Common Equity is required to satisfy the obligations of Universal and the USA Holding Entities under the Partnership Agreement, Universal and the USA Holding Entities and their respective Affiliates shall satisfy such obligations, first out of USAi Class B Common Stock, and second out of USAi Common Stock.

SECTION 4.18. Partnership. (a) Universal shall ensure that the Partnership, when formed, is formed as a Delaware limited liability limited partnership, is formed for the purpose of engaging in the Transactions and for the other purposes set forth in the Partnership Agreement, and, following its formation through to the Closing, does not engage in any business activities or incur any liabilities, other than as specifically contemplated by the Transactions.

(b) Universal shall from time to time, directly or indirectly, contribute sufficient equity to the Partnership to ensure the Partnership is able to perform all of its obligations under Sections 8.01, 8.02 and 8.06 of the Partnership Agreement.

SECTION 4.19. Substitute Letters of Credit; Guarantees. As promptly as practicable following the date hereof, USAi shall provide to Universal a list of letters of credit, guarantees and any similar obligations of USAi and its Affiliates (other than the Contributed Subsidiaries) primarily related to USAi's Existing Business and not constituting Excluded Liabilities. Effective as of the Closing, Universal shall cause the Partnership or one of its Affiliates to procure substitute letters of credit, and shall cause the Partnership or one of its Affiliates to be substituted in all respects for any of USAi or its Affiliates (other than the Contributed Subsidiaries) with respect to any such matters.

SECTION 4.20. USANi Tax Distribution. A distribution (as calculated pursuant to Section 8.2 of the USANi LLC Agreement) shall be made by USANi to each Liberty Party that holds an interest in USANi prior to the exchanges of USANi Shares for Shares of USAI Common Stock contemplated by Section 2.01 of the Universal/Liberty Merger Agreement (the "Tax Distribution"), and the proceeds of such Tax Distribution shall be distributed by such Liberty Party to its shareholder, immediately prior to any Merger involving such Liberty Party. The amount of such Tax Distribution shall be calculated in the good faith judgment of USANi based on facts known as of the date of such Tax Distribution and such Tax Distribution shall be made with respect to any taxable period (or portion thereof) of USANi (up to and including the Closing Date) and such determination shall be final and binding upon the parties. For purposes of this Section 4.20, "Liberty Party" and "Merger" shall have the meanings assigned to such terms by the Universal/Liberty Merger Agreement.

SECTION 4.21. Lease Arrangement. For a reasonable transition period of up to two years following the Closing (but in no event later than the date that executives of USAi's Existing Business as of the date hereof cease to occupy such premises), the Partnership shall be entitled to occupy the premises located at 8800 Sunset Boulevard, West Hollywood, California, on a rent-free basis.

SECTION 4.22. USA Name. The Parent Parties acknowledge that the USA Name shall be Contributed to the Partnership as of the Closing Date. Prior to the Closing the Parent Parties shall negotiate in good faith to determine how the ownership of the various logos



and designs currently associated with the USA Name ("Associated IP") shall be allocated, it being understood that (A) USAi shall be granted a perpetual, non-exclusive royalty-free license to use the USA Name in connection with its other businesses and (B) whichever Parent Party is allocated ownership of a particular piece of Associated IP will grant to the other Parent Party the right to use such Associated IP consistently with current practice and without any significant economic cost to the grantee. The Parent Parties shall work cooperatively to provide for an orderly transition and to minimize confusion resulting from the use of the USA Name by the Partnership and USAi.

SECTION 4.23. Options and Restricted Stock. Vivendi shall use its reasonable best efforts to ensure that each USAi Business Employee, who holds stock options to acquire USAi Common Stock, whether vested or unvested, in-the-money or underwater (the "USAi Options") and/or USAi restricted Common Stock awards (the "USAi Restricted Stock", collectively with the USAi Options, the "USAi Equity Awards"), shall be awarded, as of the Closing Date (or, if the date of forfeiture of the USAi Option is 90 days or more following the Closing Date, as soon as reasonably practicable following the applicable forfeiture date), subject to the forfeiture of any USAi Equity Award, stock options, restricted stock or other equity-based compensation in respect of Vivendi American Depositary Shares representing Vivendi ordinary shares par value 5.50 per share (the "ADSS") that have a "value" that is at least equal to the "value" of the forfeited USAi Equity Awards (the "Vivendi Replacement Awards"). The Vivendi Replacement Awards shall at a minimum (a) preserve the intrinsic value (i.e., the "spread") of the USAi Options that are in-the-money (relative to the fair market value of the ADSS underlying the Vivendi Replacement Awards) and the fair market value of the USAi Restricted Stock and (b) with respect to USAi Options that are underwater, have an exercise price such that the Vivendi Replacement Awards are not underwater by a greater percentage of fair market value than the underwater USAi Options, in all cases measured as of the date of grant of the Vivendi Replacement Awards. USAi represents that the maximum number of shares of USAi Restricted Stock held by USAi Business Employees that will be required to be replaced with Vivendi Replacement Awards is 57,500 shares of USAi Common Stock.

#### ARTICLE V

##### Conditions Precedent

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SECTION 5.01. Conditions to Each Party's Obligation. The obligation of each party to consummate the Transactions is subject to the satisfaction on the Closing Date of the following conditions, any one or more of which conditions of each party may be waived by such party to the extent permitted by law:

(a) Other than such Consents, registrations, declarations or filings the failure of which to obtain would not have a Material Adverse Effect, all Consents of, or registrations, declarations or filings with, or expirations of waiting periods imposed by, any Governmental Entity necessary for the consummation of the Transactions shall have been obtained or filed or shall have occurred.

(b) No Applicable Law or Judgment enacted, entered, promulgated, enforced or issued by any Governmental Entity or other legal restraint or prohibition preventing the consummation of the Transactions shall be in effect.

(c) USAi shall have received the USAi Stockholder Approvals at the USAi Stockholder Meeting.

(d) The other parties shall have furnished such other documents relating to the corporate existence and the authority to consummate the Transactions of such other parties and their respective Affiliates, and such other matters as counsel to such party may reasonably request.

(e) The Transaction Documents shall have been executed and delivered by each other party thereto, and the USAi Share Exchanges and the Mergers (each as defined in the Universal/Liberty Merger Agreement) shall have been consummated; provided, that USAi and Universal shall not be entitled to waive the satisfaction of the foregoing condition without the prior written approval of Liberty.

SECTION 5.02. Additional Conditions to Obligation of each Parent Party. The obligation of each Parent Party to consummate the Transactions is further subject to the satisfaction on the Closing Date of the following conditions, any one or more of which conditions of such Parent Party may be waived by such party to the extent permitted by law:

(a) Except to the extent that the failure of such representations and warranties to be true and correct, in the aggregate, would not (after giving effect to the operation of Section 2.05) have a Material Adverse Effect: the representations and warranties of the other Parent Party made in this Agreement, without regard to any materiality or Material Adverse Effect qualification, shall be true and correct as of the date hereof and, in the case of the representations and warranties set forth in Sections 3.01, 3.02, 3.03 (only with respect to the Organizational Documents of such Parent Party), 3.05, 3.08 and 3.15, as of the Effective Time, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties shall be true and correct as of such earlier date), and such Parent Party shall have received a certificate signed by an executive officer of the other Parent Party to such effect.

(b) The other Parent Party and its Affiliates shall have performed or complied in all material respects with all obligations and covenants required by this Agreement to be performed or complied with by such other Parent Party or such Affiliates by the Effective Time, and such Parent Party shall have received a certificate signed by an authorized officer of such other Parent Party to such effect.

SECTION 5.03. Frustration of Closing Conditions. No Parent Party may rely on the failure of any condition set forth in this Article V to be satisfied if such failure was caused by (i) the action or willful inaction of such party or its Affiliates, (ii) the failure of any representation or warranty of such party qualified as to materiality to be true and correct or, those not so qualified to be true and correct in all material respects, or (iii) failure to use its reasonable best efforts to cause the Closing to occur as required by Section 4.04.

ARTICLE VI

Termination

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SECTION 6.01. Termination. (a) Notwithstanding anything to the contrary in this Agreement, this Agreement may be terminated and the other Transactions abandoned at any time prior to the Effective Time, whether before or after the USAi Stockholder Approvals are obtained:

(i) by mutual written consent of the parties hereto;

(ii) by either Parent Party if, upon a vote at a duly held USAi Stockholder Meeting or any adjournment thereof, the USAi Stockholder Approvals shall not have been obtained;

(iii) by either Parent Party if any of the conditions to such Parent Party's obligations set forth in Article V shall have become incapable of fulfillment, and shall not have been waived by such Parent Party;

(iv) by Universal if the USAi Board or any committee thereof shall have withdrawn or modified its approval or recommendation of this Agreement or the Transactions; or

(v) by any party hereto, if the Closing does not occur on or prior to September 30, 2002;

provided, however, that the party seeking termination pursuant to clause (ii), (iii) or (v) is not in breach of any of its representations, warranties, covenants or agreements contained in this Agreement in any material respect.

(b) In the event of termination by a party pursuant to this Section 6.01, written notice thereof shall forthwith be given to the other parties, and the Transactions shall be terminated without further action by any party. If this Agreement is terminated as provided herein, each party shall return all documents and other material received from any other party relating to the Transactions, whether so obtained before or after the execution hereof.

SECTION 6.02. Effect of Termination. (a) If this Agreement is terminated and the Transactions are abandoned as described in Section 6.01, this Agreement shall become null and void and of no further force and effect, except for the provisions of (i) Section 3.16 relating to broker's and finder's fees, (ii) Section 4.03 relating to the obligation of the Parent Parties to keep confidential certain information and data obtained by it from the other parties, (iii) Section 4.05 relating to certain expenses, (iv) Section 4.07 relating to publicity, and (v) Section 6.01 and this Section 6.02 relating to termination. Nothing in this Section 6.02 shall be deemed to release any party from any liability for any breach by such party of the terms and provisions of this Agreement.

(b) If this Agreement is terminated pursuant to Section 6.01(a) (iv), then USAi shall promptly reimburse Universal and its Affiliates for all of their documented, out of pocket

expenses incurred in connection with this Agreement and the other Transaction Documents, up to a limit of \$15,000,000. Such reimbursement shall be paid upon demand following such termination.

## ARTICLE VII

### Indemnification

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SECTION 7.01. Indemnification by Each Parent Party. (a) Vivendi shall indemnify and hold harmless (x) USAi and its Affiliates and their respective officers, directors, shareholders, employees, representatives, agents or trustees and (y) the Partnership and its Affiliates and their respective officers, directors, partners, employees, representatives, agents or trustees (clauses (x) and (y) together, the "USAi Indemnified Parties"), from and against any Losses (other than any Losses relating to Taxes, the indemnification of which is governed solely by Section 7.02), as incurred (payable promptly upon written request), to the extent arising from, relating to or otherwise in respect of:

(i) any breach of any representation or warranty of Universal or its Affiliates contained in any Transaction Document or any certificate delivered on behalf of Universal pursuant to Section 5.02(a) (in each case, without regard to any materiality or Material Adverse Effect qualifier contained therein);

(ii) any failure by Universal or its Affiliates (including for purposes of this Section 7.01(a)(ii), the Partnership) to perform or fulfill any of its covenants or agreements contained in any Transaction Document (other than Sections 8.01, 8.02 and 8.06 of the Partnership Agreement);

(iii) any fees, expenses or other payments incurred or owed by Universal or its Affiliates to any brokers, financial advisors or comparable other persons retained or employed by it in connection with the Transactions;

(iv) any Excluded Liability of Universal or its Affiliates; and

(v) any dissolution or winding up of the Partnership or Bankruptcy (as defined in the Partnership Agreement) of the general partner of the Partnership, in each case at any time while the Preferred Interests (as defined in the Partnership Agreement) are outstanding;

but only (with respect to items described in Section 7.01(a)(i)) to the extent the aggregate amount of all such Losses of all such USAi Indemnified Parties exceed \$150 million (the "Basket"), provided, however, that the Basket shall not apply to the representations contained in Section 3.18.

(b) USAi shall indemnify and hold harmless (x) Universal and its Affiliates and their respective officers, directors, shareholders, employees, representatives, agents or trustees and (y) the Partnership and its Affiliates and their respective officers, directors, partners, employees, representatives, agents or trustees (clauses (x) and (y) together, the "Universal Indemnified Parties"), from and against any Losses (other than any Losses relating to Taxes, the

indemnification of which is governed solely by Section 7.02), as incurred (payable promptly upon written request), to the extent arising from, relating to or otherwise in respect of:

(i) any breach of any representation or warranty of USAi or its Affiliates contained in any Transaction Document or any certificate delivered on behalf of USAi pursuant to Section 5.02(a) (in each case, without regard to any materiality or Material Adverse Effect qualifier contained therein);

(ii) any failure by USAi or its Affiliates to perform or fulfill any of its covenants or agreements contained in any Transaction Document;

(iii) any fees, expenses or other payments incurred or owed by USAi or its Affiliates to any brokers, financial advisors or comparable other persons retained or employed by it in connection with the Transactions; and

(iv) any Excluded Liability of USAi or its Affiliates;

but only (with respect to items described in Section 7.01(b)(i)) to the extent the aggregate amount of all such Losses of all such Universal Indemnified Parties exceed the Basket, provided, however, that the Basket shall not apply to the representation contained in Section 3.18.

SECTION 7.02. Tax Indemnification by Each Parent Party. (a) Vivendi shall be liable for, and shall indemnify and hold harmless USAi, the Partnership and their respective Affiliates from and against, the following Taxes:

(i) any and all Taxes with respect to its Existing Business and any Taxes attributable to its ownership of USANi Shares, in each case for any taxable period ending (or deemed pursuant to Section 7.02(c) to end) on or before the Closing Date; and

(ii) any several liability under Treasury Regulation Section 1.1502-6 or under any comparable or similar provision under state, local or foreign laws or regulations for periods ending on or prior to the Closing Date.

(b) In addition, Vivendi shall be liable for, and shall indemnify and hold harmless USAi and its Affiliates from and against any Tax Detriment incurred by USAi or any of its Affiliates solely as a result of (i) the breach by Universal or any of its Affiliates of any of the covenants set forth in Sections 2.07, 3.01(c), 5.05(a)(i), 5.05(a)(v) or 5.05(a)(vi) of the Partnership Agreement or (ii) if Vivendi has elected that any covenant set forth in Section 5.05(b) of the Partnership Agreement shall not apply, any action or inaction that would constitute a breach of such covenant.

(c) USAi shall be liable for, and shall indemnify and hold harmless Universal, the Partnership and their respective Affiliates from and against, the following Taxes:

(i) any and all Taxes with respect to its Existing Business (other than Taxes attributable to the ownership of USANi Shares by Universal or any of its Affiliates) for any taxable period beginning on or after February 13, 1998 (in the case of Taxes relating to USA Cable, Studios USA or their respective subsidiaries) and May 29, 1999 (in the

case of Taxes relating to USA Films or its subsidiaries) and ending (or deemed pursuant to Section 7.02(c) to end) on or before the Closing Date; and

(ii) any several liability under Treasury Regulation Section 1.1502-6 or under any comparable or similar provision under state, local or foreign laws or regulations for periods beginning on or after February 13, 1998 (in the case of Taxes relating to USA Cable, Studios USA or their respective subsidiaries) and May 29, 1999 (in the case of Taxes relating to USA Films or its subsidiaries) and ending on or prior to the Closing Date.

(d) In addition, USAi shall be liable for, and shall indemnify and hold harmless Universal and its Affiliates from and against any Tax Detriment incurred by Universal or any of its Affiliates solely as a result of the breach by USAi or any of its Affiliates of any covenant set forth in Section 2.07 or 3.01(c) of the Partnership Agreement.

(e) (i) The Parent Parties agree that if any entity transferred to the Partnership is permitted but not required under applicable foreign, state or local Income Tax laws to treat the day before the Closing Date or the Closing Date as the last day of a taxable period, such day shall be treated as the last day of a taxable period.

(ii) For purposes hereof, in the case of any Taxes that are imposed on a periodic basis and are payable for a period that begins before the Closing Date and ends after the Closing Date, the portion of such Tax that shall be deemed to be payable for the portion of the period ending on the Closing Date shall (i) in the case of any Taxes, other than Taxes based upon or related to income or receipts, be deemed to be the amount of such Taxes for the entire period (or, in the case of such Taxes determined on an arrears basis, the amount of such Taxes for the immediately preceding period), whether actually paid before, during, or after such period, multiplied by a fraction the numerator of which is the number of calendar days in the period ending on (and including) the Closing Date and the denominator of which is the number of calendar days in the entire period, and (ii) in the case of any Taxes based upon or related to income or receipts (including but not limited to withholding Taxes), be deemed equal to the amount which would be payable if the taxable year ended on the close of business on the Closing Date. Any credits for such a period shall be prorated, based upon the fraction employed in clause (i) of the preceding sentence. Such clause (i) shall be applied with respect to Taxes for such period relating to capital (including net worth or long-term debt) or intangibles by reference to the level of such items on the Closing Date. Principles similar to those of this Section 7.02(c)(ii) shall be applied in determining whether a Tax is for a taxable period beginning on or after February 13, 1998 or May 29, 1999, as applicable.

SECTION 7.03. Refunds. (a) Universal and its Affiliates shall be entitled to any refunds or credits of Taxes attributable to or arising in taxable periods ending (or deemed pursuant to Section 7.02(c) to end) on or before the Closing Date with respect to its Existing Business or its ownership of the USANi Shares, as the case may be.

(b) USAi and its Affiliates shall be entitled to any refunds or credits of Taxes attributable to or arising in taxable periods ending (or deemed pursuant to Section 7.02(c) to end)

on or before the Closing Date with respect to its Existing Business (other than with respect to the USANi Shares owned by Universal or any of its Affiliates).

SECTION 7.04. Calculation of Losses. The amount of any Loss, Tax, or Tax Detriment for which indemnification is provided under this Article VII shall be net of any amounts actually recovered by the indemnified party (as defined in Section 7.06(a)) under insurance policies or indemnities from third parties with respect to such Loss, Tax, or Tax Detriment and shall be (i) increased to take account of any net Tax cost incurred by the indemnified party arising from the receipt of indemnity payments hereunder (grossed up for such increase) and (ii) reduced to take account of any net Tax benefit realized by the indemnified party arising from the incurrence or payment of any such Loss, Tax or Tax Detriment. In computing the amount of any such Tax cost or Tax benefit, the indemnified party shall be deemed to fully utilize, at the highest marginal Tax rate then in effect, all Tax items arising from the receipt of any indemnity payment hereunder or the incurrence or payment of any indemnified Loss, Tax or Tax Detriment.

SECTION 7.05. Termination of Indemnification. The obligations to indemnify and hold harmless any party (i) pursuant to Section 7.01(a)(i) or 7.01(b)(i), as the case may be, shall terminate when the applicable representation or warranty terminates pursuant to Section 7.07, (ii) pursuant to Section 7.02, shall terminate when the applicable statute of limitations expires (giving effect to any waiver, mitigation or extension thereof) and (iii) pursuant to the other clauses of Sections 7.01, shall not terminate; provided, however, that such obligations to indemnify and hold harmless shall not terminate with respect to any item as to which the Person to be indemnified shall have, before the expiration of the applicable period, previously made a claim by delivering a notice of such claim (stating in reasonable detail the basis of such claim) pursuant to Section 7.06 to the party to be providing the indemnification.

SECTION 7.06. Procedures; Exclusivity. (a) In order for a party (the "indemnified party") to be entitled to any indemnification provided for under this Agreement in respect of, arising out of or involving a claim made by any Person against the indemnified party (a "Third Party Claim"), such indemnified party must notify the indemnifying party in writing (and in reasonable detail) of the Third Party Claim promptly following receipt by such indemnified party of written notice of the Third Party Claim; provided, however, that failure to give such notification shall not affect the indemnification provided hereunder except to the extent the indemnifying party shall have been actually prejudiced as a result of such failure. Thereafter, the indemnified party shall deliver to the indemnifying party, promptly after the indemnified party's receipt thereof, copies of all notices and documents (including court papers) received by the indemnified party relating to the Third Party Claim.

(b) If a Third Party Claim is made against an indemnified party, the indemnifying party shall be entitled to participate in the defense thereof and, if it so chooses, to assume the defense thereof with counsel selected by the indemnifying party; provided, however, that such counsel is not reasonably objected to by the indemnified party. Should the indemnifying party so elect to assume the defense of a Third Party Claim, the indemnifying party shall not be liable to the indemnified party for any legal expenses incurred from and after the date of such assumption by the indemnified party in connection with the defense thereof. If the indemnifying party assumes such defense, the indemnified party shall have the right to participate in the defense

thereof and to employ counsel, at its own expense, separate from the counsel employed by the indemnifying party, it being understood that the indemnifying party shall control such defense. The indemnifying party shall be liable for the fees and expenses of counsel employed by the indemnified party for any period during which the indemnifying party has not assumed the defense thereof. If the indemnifying party chooses to defend or prosecute a Third Party Claim, all the indemnified parties shall cooperate in the defense or prosecution thereof. Such cooperation shall include the retention and (upon the indemnifying party's request and at its expense) the provision to the indemnifying party of records and information which are reasonably relevant to such Third Party Claim, and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. Whether or not the indemnifying party assumes the defense of a Third Party Claim, the indemnified party shall not admit any liability with respect to, or settle, compromise or discharge, such Third Party Claim without the indemnifying party's prior written consent (which consent shall not be unreasonably withheld). If the indemnifying party assumes the defense of a Third Party Claim, the indemnified party shall agree to any settlement, compromise or discharge of a Third Party Claim that the indemnifying party may recommend and that by its terms obligates the indemnifying party to pay the full amount of the liability in connection with such Third Party Claim (or, in the case of any Third Party Claim with respect to Taxes, as to which the indemnifying party acknowledges in writing its obligation to make payment in full), that releases the indemnified party completely in connection with such Third Party Claim (or, in the case of any Third Party Claim with respect to Taxes, as to which the indemnifying party acknowledges in writing its obligation to make payment in full) and that would not otherwise materially and adversely affect the indemnified party. Notwithstanding the foregoing, the indemnifying party shall not be entitled to assume the defense of any Third Party Claim (and shall be liable for the reasonable fees and expenses of counsel incurred by the indemnified party in defending such Third Party Claim) if the Third Party Claim seeks an order, injunction or other equitable relief or relief for other than money damages against the indemnified party that the indemnified party reasonably determines, after conferring with its outside counsel, cannot be separated from any related claim for money damages.

(c) In the event any indemnified party should have a claim against any indemnifying party under this Article VII that does not involve a Third Party Claim being asserted against or sought to be collected from such indemnified party, the indemnified party shall deliver notice of such claim with reasonable promptness to the indemnifying party. So long as the indemnified party provides notification to the indemnifying party prior to the termination of the obligation to indemnify as set forth in Section 7.05, the failure by any indemnified party so to notify the indemnifying party shall not relieve the indemnifying party from any liability that it may have to such indemnified party under this Article VII, except to the extent that the indemnifying party demonstrates that it has been actually prejudiced by such failure. The indemnifying party and the indemnified party shall proceed in good faith to negotiate a resolution of any dispute with respect to such a claim and, if not resolved through negotiations, such dispute shall be resolved by litigation in an appropriate court of competent jurisdiction.

(d) After the Closing, Section 7.01 shall constitute the exclusive remedy for any misrepresentation or breach of warranty contained in this Agreement.



SECTION 7.07. Survival. The representations, warranties, covenants and agreements contained in the Transaction Documents or in any certificates delivered pursuant to Section 5.02(a) shall survive the Closing and shall terminate on March 31, 2003, except for those contained in Section 3.18, which shall survive until the expiration of the applicable statute of limitations (giving effect to any waiver, mitigation or extensions thereof). Notwithstanding the foregoing, those covenants or agreements that contemplate or may involve actions to be taken or obligations in effect after the Closing shall survive in accordance with their terms.

ARTICLE VIII

Miscellaneous

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SECTION 8.01. Approval of Transactions. By execution of this Agreement, each of the parties hereto approves and consents, in each case on its own behalf and on behalf of its Affiliates, to the Transactions (including in respect of any transaction to be taken after the Closing in respect of USAi Shares under Section 8.07 of the Partnership Agreement) and the actions necessary to be taken by USAi, USANi and their respective Affiliates in connection therewith, for all purposes under the Investment Agreement, the Governance Agreement, the Stockholders Agreement and the USANi LLC Agreement and all other agreements to which it or its Affiliates is a party that provides the right to consent to USAi's entering into the Transactions. Each of Diller, Universal and Liberty hereby waives any right of first refusal or tag along right and any restriction on Transfer (as defined in the Stockholders Agreement) relating to the Transactions; provided that (x) Liberty will be entitled to exercise its preemptive rights in accordance with the Governance Agreement with respect to the Warrants to be issued to the Affiliate of Vivendi set forth in Schedule 2.04(b) pursuant to this Agreement and (y) nothing herein shall be deemed to constitute a waiver or consent of Diller or Liberty of his or its rights under the Stockholders Agreement or the Governance Agreement with respect to transactions relating to Transfers of USAi Shares occurring after the Closing Date (other than delivery by Universal or its Affiliates of USAi Shares in accordance with Section 8.07 of the Partnership Agreement).

SECTION 8.02. Notices. All notices, requests and other communications to any party under this Agreement shall be in writing (including a facsimile or similar writing) and shall be given to a party hereto at the address or facsimile number set forth for such party on Schedule 8.02 or as such party shall at any time otherwise specify by notice to each of the other parties to such agreement or instrument. Each such notice, request or other communication shall be effective (i) if given by facsimile, at the time such facsimile is transmitted and the appropriate confirmation is received (or, if such time is not during a Business Day, at the beginning of the next such Business Day), (ii) if given by mail, five Business Days (or, if to an address outside the United States, ten calendar days) after such communication is deposited in the United States mails with first-class postage prepaid, addressed as aforesaid, or (iii) if given by any other means, when delivered at the address specified pursuant hereto.

SECTION 8.03. No Third Party Beneficiaries. The terms of this Agreement are not intended to confer any rights or remedies hereunder upon, and shall not be enforceable by, any Person other than the parties hereto, other than (i) with respect to the provisions of Article VII hereof, each indemnified person and (ii) with respect to Section 4.13, the Partnership.

SECTION 8.04. Waiver. No failure by any party to this Agreement to insist upon the strict performance of any covenant, agreement, term or condition hereof or to exercise any right or remedy consequent upon a breach of such or any other covenant, agreement, term or condition shall operate as a waiver of such or any other covenant, agreement, term or condition of this Agreement. Any party to this Agreement, by notice given in accordance with Section 8.02, may, but shall not be under any obligation to, waive any of its rights or conditions to its obligations under this Agreement, or any duty, obligation or covenant of any other party hereto. No waiver shall affect or alter the remainder of this Agreement and each and every covenant, agreement, term and condition hereof shall continue in full force and effect with respect to any other then existing or subsequent breach. Subject to Section 7.06(d), the rights and remedies provided by this Agreement are cumulative and the exercise of any one right or remedy by any party shall not preclude or waive its right to exercise any or all other rights or remedies.

SECTION 8.05. Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto without the prior written consent of the other parties. Subject to the preceding sentence, this Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

SECTION 8.06. Integration. This Agreement and the other Transaction Documents (including the schedules and exhibits hereto and thereto) constitute the entire agreement among the parties hereto pertaining to the subject matter hereof and supersede all prior agreements and understandings of the parties in connection herewith, and no covenant, representation or condition not expressed in such Transaction Documents shall affect, or be effective to interpret, change or restrict, the express provisions of this Agreement.

SECTION 8.07. Headings. The titles of Articles and Sections of this Agreement are for convenience only and shall not be interpreted to limit or otherwise affect the provisions of this Agreement.

SECTION 8.08. Counterparts. This Agreement may be executed by the parties hereto in multiple counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same instrument.

SECTION 8.09. Severability. Each provision of this Agreement shall be considered separable and if for any reason any provision or provisions hereof are determined to be invalid and contrary to any applicable law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid.

SECTION 8.10. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without giving effect to the conflicts of law principles thereof.

SECTION 8.11. Jurisdiction. Each party to this Agreement irrevocably submits to the jurisdiction of (i) the courts of the State of Delaware, New Castle County, and (ii) the United States District Court for the District of Delaware, for the purposes of any suit, action or

other proceeding (other than suits, actions or other proceedings arising solely out of the Universal/Liberty Merger Agreement) arising out of this Agreement or the Transactions. Each party agrees to commence any such action, suit or proceeding either in the courts of the State of Delaware, New Castle County or if such suit, action or other proceeding may not be brought in such court for jurisdictional reasons, in the District Court for the District of Delaware. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such party's respective address in accordance with Section 8.02 shall be effective service of process for any action, suit or proceeding in Delaware with respect to any matters to which it has submitted to jurisdiction in this Section 8.11. Each party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the Transactions in (i) the courts of the State of Delaware, New Castle, or (ii) the United States District Court for the District of Delaware, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

SECTION 8.12. Specific Performance. Each of the parties to this Agreement agrees that the other parties hereto would be irreparably damaged if any of the provisions of this Agreement are not performed in accordance with its specific terms and that monetary damages would not provide an adequate remedy in such event. Accordingly, in addition to any other remedy to which the nonbreaching parties may be entitled, at law or in equity, the nonbreaching parties (or the Partnership, in the case of Section 4.13) may be entitled to injunctive relief to prevent breaches of this Agreement and to specifically enforce the terms and provisions hereof.

SECTION 8.13. Amendments. This Agreement may be amended by an instrument in writing signed on behalf of each of the parties hereto at any time before or after receipt of the USAi Stockholder Approvals, provided, however, that after any such approval, there shall be made no amendment that by law requires further approval by such stockholders without the further approval of such stockholders.

SECTION 8.14. Interpretation. References in this Agreement to Articles, Sections, Annexes, Exhibits and Schedules shall be deemed to be references to Articles and Sections of, and Annexes, Exhibits and Schedules to, this Agreement unless the context shall otherwise require. References to Schedules shall be deemed to be references to the respective Schedules of USAi and Universal, as applicable. All Annexes, Exhibits and Schedules attached to this Agreement shall be deemed incorporated therein as if set forth in full therein. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of such agreement or instrument.

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties, and is effective as of the day and year first above written.

VIVENDI UNIVERSAL, S.A.,

By /s/ George E. Bushnell III  
-----  
Name: George E. Bushnell III  
Title: Vice President

UNIVERSAL STUDIOS, INC.,

By /s/ Karen Randall  
-----  
Name: Karen Randall  
Title: Executive Vice President  
and General Counsel

USA NETWORKS, INC.,

By /s/ Julius Genachowski  
-----  
Name: Julius Genachowski  
Title: Executive Vice President

USANi LLC,

By /s/ Julius Genachowski  
-----  
Name: Julius Genachowski  
Title: Executive Vice President

LIBERTY MEDIA CORPORATION,

By /s/ Charles Y. Tanabe  
-----  
Name: Charles Y. Tanabe  
Title: Senior Vice President  
and General Counsel

Only for purposes of  
Sections 2.03(a) (iv), 2.03(a) (v),  
2.03(a) (vii), 2.07, 4.10 (d) and 8.01:

BARRY DILLER,

/s/ Barry Diller  
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The terms defined below have the meanings set forth below for all purposes of this Agreement, and such meanings 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.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling, controlled by or under direct or indirect common control with such specified Person. For purposes of the foregoing, (i) USANi and its Affiliates shall be deemed to be Affiliates of USAi, (ii) none of USAi, USANi or any of their respective Affiliates shall be deemed to be an Affiliate of Universal, (iii) none of Diller, Universal, Liberty or any of their respective Affiliates shall be deemed to be an Affiliate of USAi and (iv) none of USAi or Universal or any of their respective Affiliates shall be deemed to be an Affiliate of the Partnership.

"Ancillary Distribution Agreements" shall mean the Home Video Distribution Agreement, the Other Business Rights Agreement and the Music Administration Agreement.

"Applicable Law" shall have the meaning set forth in Section 3.03.

"Assignment Agreement" means the Assignment Agreement dated as of the Closing Date, by and among Vivendi, Universal, the USA Holding Entities and USAi.

"Balance Sheet" shall have the meaning set forth in Section 3.06(b).

"Basket" shall have the meaning set forth in Section 7.01(a).

"Business" means the operation, programming or delivery of any general or genre-based entertainment television channel (irrespective of how such channel is delivered to the customer, including delivery by cable, satellite, the internet or other technologies), the production and distribution of entertainment television programming and feature films and any other business to be Contributed to the Partnership as of the Closing Date, including any reasonably foreseeable entertainment-focused extensions of such businesses after such date that are programming or film-oriented, other than in a transactional context. The term "Business" shall not include (i) television channels (irrespective of how such channel is delivered to the customer, including delivery by cable, satellite, the internet or other technologies) which are consumer transaction-oriented, such as Home Shopping Network, America's Store and USAi's planned travel network or which provide informational services which lend themselves to commerce (such as Travel Channel, Home & Garden Television, the Food Network, and Do It Yourself) or which otherwise serve as a means of introducing, starting or promoting transactional services, including transaction-oriented television channels whose primary focus is the provision of electronic retailing, auction services or gaming/gambling services or (ii) electronic commerce and retailing, information and services.

"Business Day" means any day other than a Saturday, a Sunday or a United States Federal holiday.

"CEO" means chief executive officer.

"Closing" and "Closing Date" shall have the meanings set forth in Section 2.06.

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

"Committed LLC Shares" shall have the meaning set forth in Section 2.02.

"Consent" shall have the meaning set forth in Section 3.03.

"Contracts" means all contracts, agreements, commitments and other legally binding arrangements, whether oral or written.

"Contribute" means to contribute, assign, transfer, convey and deliver, and "Contributing" and "Contributed" shall have correlative meanings.

"Contributed Assets" means, with respect to any Parent Party, all the business, properties, assets, goodwill and rights of such Parent Party and its Affiliates of whatever kind and nature, real or personal, tangible or intangible, that are owned, leased or licensed by such Parent Party or its Affiliates immediately prior to the Effective Time and used, held for use or intended to be used primarily in the operation or conduct of its Existing Business, other than Excluded Assets, including (i) Real Property, (ii) tangible personal property and interests therein, including machinery, equipment, furniture and vehicles, (iii) Inventory, (iv) Licenses, (v) Investments, (vi) accounts receivable on the Closing Date arising out of the operation or conduct of its Existing Business, (vii) Intangible Property, (viii) Contracts, (ix) credits, prepaid expenses, deferred charges, advance payments, security deposits and other prepaid items, (x) rights, claims and credits to the extent relating to any other Contributed Asset or Contributed Liability, including such items arising under insurance policies and all guarantees, warranties, indemnities and similar rights in favor of such Parent Party or its Affiliates in respect of any other Contributed Asset or Contributed Liability, (xi) Records, (xii) goodwill generated by or associated with its Existing Business and (xiii) in the case of USAi, the USA Name.

"Contributed Liabilities" means with respect to any Parent Party, (i) the liabilities, obligations and commitments contained in the Contracts primarily relating to such Parent Party's Existing Business, (ii) all accounts payable of such Parent Party and its Affiliates arising primarily out of the operation or conduct of its Existing Business prior to the Closing and (iii) all other liabilities, obligations and commitments of such Parent Party or its Affiliates of any nature whether known or unknown, absolute, accrued, contingent or otherwise and whether due or to become due, arising primarily out of the operation or conduct of its Existing Business before, on or after the Closing Date.

"Contributed Subsidiaries" means, with respect to USAi only, (i) New-U Studios Inc., (ii) Studios USA, (iii) Tier One Subsidiary, Inc., (iv) USA Cable, (v) USA Films, (vi) USA Networks Partner LLC and (vii) USA Television Production Group LLC.

"Diller" shall have the meaning set forth in the Preamble.

"Distribution Agreements" means the Domestic Television Distribution Agreement and the International Television Distribution Agreement.

"DGCL" means the Delaware General Corporation Law, as amended from time to time.

"Domestic Television Distribution Agreement" means the Domestic Television Distribution Agreement, dated as of February 12, 1998, by and between USAi and Universal.

"Effective Time" means the time at which the Closing shall have occurred.

"Exchange Agreement" means the Exchange Agreement dated as of October 19, 1997, by and among USAi, Universal, for itself and on behalf of certain of its subsidiaries and Liberty, for itself and on behalf of certain of its subsidiaries.

"Excluded Assets" means, with respect to any Parent Party, (i) all rights of such Parent Party under the Transaction Documents, (ii) all Records prepared for the purpose of the Transactions, (iii) all financial and tax records relating to such Parent Party's Existing Business that form part of its general ledger and (iv) all rights, claims and credits of such Parent Party and its Affiliates to the extent relating to any Excluded Asset or Excluded Liability, including such items arising under insurance policies and all guarantees, warranties, indemnities and similar rights in favor of such Parent Party or its Affiliates in respect of any other Excluded Asset or Excluded Liability. For the avoidance of doubt, with respect to USAi, the Excluded Assets shall include any and all outstanding obligations to USAi pursuant to the Non-Negotiable Promissory Note, dated May 28, 1999, between Universal Studios Holding I Corp., as borrower and USAi, as lender, in the principal amount of \$200 million.

"Excluded Liability" means, with respect to any Parent Party, any (i) liability, obligation or commitment of such Parent Party that is not a Contributed Liability, (ii) any liability, commitment or obligation of an entity this is being Contributed to the Partnership to guarantee, indemnify or otherwise be liable for any obligation of USAi, Universal or any of their respective Affiliates that are not being Contributed to the Partnership or (iii) any liability, obligation or commitment under (A) the Warrant Agreements dated as of March 2, 1992 between Savoy Pictures and Allen & Co. or (B) the Warrant Agreement dated as of April 20, 1994, by and between Savoy Pictures Entertainment Inc., GkH Partners, L.P. and GkH Private Limited.

"Existing Business" means, (i) with respect to Universal, the filmed entertainment, television and recreation businesses of Universal Studios, Inc., Centenary Holding N.V., and Universal Pictures International B.V. (excluding, for the avoidance of doubt all Universal Music Group and VU-Net businesses) in each case as conducted by such entities immediately prior to the Effective Time, and (ii) with respect to USAi, the programming, television distribution, cable networks and film businesses as conducted by USAi and its Affiliates immediately prior to the Effective Time (including, for the avoidance of doubt, USA Cable, USA Films and Studios USA), other than the business described in the second sentence of the definition of "Business".

"Expedia Agreement" means the Amended and Restated Agreement and Plan of Recapitalization and Merger by and among USAi, Expedia, Inc., Taipei, Inc., Microsoft Corporation and Microsoft E-Holdings, Inc., dated as of July 15, 2001.



"Governance Agreement" means (i) with respect to periods prior to the Closing Date, the Governance Agreement among Universal, USAi, Liberty and Diller dated as of October 19, 1997 and (ii) with respect to periods on or after the Closing Date, the Amended and Restated Governance Agreement dated as of December 16, 2001, among USAi, Universal, Liberty, Diller and Vivendi.

"Governmental Entity" shall have the meaning set forth in Section 3.03.

"Home Video Distribution Agreement" means the Home Video Distribution Agreement, dated as of February 12, 1998, between USAi and Universal Studios Home Video, Inc.

"Income Tax" means all Taxes based on or measured by net income.

"indemnified party" shall have the meaning set forth in Section 7.06(a).

"Intangible Property" means, with respect to an Existing Business, (i) any intellectual property asset of such Existing Business (other than such property licensed to such Existing Business), with a value, as reflected on such party's balance sheet, of \$10 million or more and (ii) all material patents, trademarks, trade names, service marks, brand marks, brand names, proprietary computer programs, proprietary databases, industrial design, copyrights or any pending application therefor.

"International Television Distribution Agreement" means the International Television Distribution Agreement, dated as of February 12, 1998, by and between USAi and Universal.

"Inventory" means raw materials, work-in-process, finished goods, supplies, parts, spare parts and other inventories.

"Investment Agreement" means the Investment Agreement dated as of October 19, 1997, as amended and restated as of December 18, 1997, among, Universal, for itself and on behalf of certain of its subsidiaries, USAi, HSN, Inc. and Liberty, for itself and on behalf of certain of its subsidiaries.

"Investments" means partnership interests and any other equity interest in any corporation, company, limited liability company, partnership, joint venture, trust or other business association, including the Contributed Subsidiaries.

"Judgment" shall have the meaning set forth in Section 3.03.

"Liberty" shall have the meaning set forth in the Preamble.

"Liberty Exchange Agreement" means the Exchange Agreement dated as of December 20, 1996 by and between Silver King Communications, Inc. and Liberty HSN, Inc.

"Licenses" means all licenses, permits, construction permits, registrations, and other authorizations issued by any Governmental Entity for use in connection with the conduct of

the business or operations of the relevant business, and all applications therefor, together with any renewals, extensions, modifications, or additions thereto between the date of this Agreement and the Closing Date.

"Lien" means any pledge, encumbrance, security interest, purchase option, call or similar right.

"Loss" means any loss, liability, claim, damage or expense (including reasonable legal fees and expenses).

"Material Adverse Effect" means, with respect to any applicable representation or warranty of a Parent Party, a material adverse effect on (x) the business, assets, financial condition or results of operations of such Parent Party's Existing Business or (y) such Parent Party's and its Affiliates' ability to perform their obligations under any Transaction Document to which it is, or is specified to be, a party as of the date hereof, other than any such effect arising out of or resulting from general economic conditions, or from changes in or generally affecting the industries in which such Parent Party's Existing Business operates, or as a result of the September 11, 2001 terrorist attacks, their aftermath or any similar events.

"Material Contracts" means Contracts of USAi's Existing Business as of the date hereof which (i) at the time entered into, were outside the ordinary course of business as then conducted by such Existing Business, or (ii) are (A) cable television system affiliation agreements covering one million or more subscribers (in any individual case) providing for payments to and from cable television system operators in excess of \$1 million in any twelve-month period, (B) Contracts (other than with writer producers) with respect to the production, development, broadcast or distribution, of television programs with respect to which such Existing Business has a commitment to pay in excess of \$10 million, (C) agreements with writer producers with respect to which such Existing Business has a commitment to pay in excess of \$2 million per year, or (D) agreements to buy or sell advertising where the required payments to or from such Existing Business are in excess of \$10 million.

"Material Real Property" means all of the Real Property attributed to USAi's Existing Business, providing individually for annual lease payments in excess of \$3 million.

"Music Administration Agreement" means the Music Administration Agreement, dated as of February 12, 1998, between USAi and MCA Music Publishing.

"Organizational Documents" means, with respect to any Person at any time, such Person's certificate or articles of incorporation, corporate statutes, by-laws, memorandum and articles of association, certificate of formation of limited liability company, limited liability company agreement, and other similar organizational or constituent documents, as applicable, in effect at such time.

"Original Transaction Agreement" shall have the meaning set forth in the Preamble.

"Other Business Rights Agreement" means the Other Business Rights Agreement, dated as of February 12, 1998, between USAi and Universal.

"Parent Party" means each or any of Universal and USAi.

"Partnership" means the Delaware limited liability limited partnership to be formed pursuant to the Partnership Agreement.

"Partnership Agreement" means the Partnership Agreement, dated as of the Closing Date, by and between USAi, USAi Sub, Universal and Diller in substantially the form of Exhibit A hereto.

"Permitted Liens" shall mean, collectively, (i) all statutory or other liens for taxes or assessments which are not yet due or the validity of which is being contested in good faith by appropriate proceedings, (ii) all mechanics', material men's, carriers', workers' and repairers' liens, and other similar liens imposed by law, incurred in the ordinary course of business, which allege unpaid amounts that are less than 30 days delinquent or which are being contested in good faith by appropriate proceedings, and (iii) all other Liens which do not materially detract from or materially interfere with the marketability, value or present use of the asset subject thereto or affected thereby.

"Person" means any individual, firm, corporation, partnership, limited liability company, trust, joint venture, governmental authority or other entity.

"Proceedings" shall have the meaning set forth in Section 3.14.

"Proxy Statement" means the proxy or information statement relating to the approval and authorization of the Transactions by the stockholders of USAi.

"Real Property" means real estate and buildings and other improvements thereon and leases and leasehold interests, leasehold improvements, fixtures and trade fixtures.

"Records" means books of account, ledgers, general financial, accounting, tax and personnel records, files, invoices, customers' and suppliers' lists, other distribution lists, billing records, sales and promotional literature, manuals, and customer and supplier correspondence (in all cases, in any form or medium).

"Reference Date" is defined in Section 2.04(i)(B).

"Returns" means returns, reports and forms required to be filed with any domestic or foreign taxing authority.

"SEC" means the United States Securities and Exchange Commission.

"SEC Reports" means, (i) with respect to USAi, the annual report of USAi on Form 10-K and (ii) with respect to Universal, the annual report of Vivendi on Form 20-F, in each case, in respect of the fiscal year ended December 31, 2000, and each report, schedule, proxy, information statement or registration statement (including all exhibits and schedules thereto and documents incorporated by reference therein) filed by USAi or Vivendi, as applicable, with the SEC following December 31, 2000, and on or before the date of this Agreement.

"Special Committee" shall have the meaning set forth in Section

3.02.

"Stockholders Agreement" means (i) with respect to periods prior to the Closing Date, the Stockholders Agreement among Universal, Liberty, Diller, USAi and The Seagram Company Limited dated as of October 19, 1997 and (ii) with respect to periods on or after the Closing Date, the Amended and Restated Stockholders Agreement dated as of December 16, 2001 among Universal, Liberty, Diller, USAi and Vivendi.

"Studios USA" means Studios USA LLC.

"Tax Detriment" means, with respect to any Taxes incurred as a result of the recognition of income or gain by an indemnified party in a taxable period(s) earlier than the taxable period(s) in which such income or gain would otherwise have been recognized by such party solely as a result of an action or inaction by an indemnifying party, the excess, if any, of (i) the net present value of such Taxes incurred by the indemnified party in such earlier taxable period(s) over (ii) the net present value of the Taxes that would otherwise have been incurred in such later taxable period, assuming (i) a discount rate equal to USAi's borrowing rate in effect as of the time such net present values are calculated and (ii) that for all taxable years, the indemnified party is fully taxable at the highest applicable marginal U.S. federal income tax rate and the highest applicable marginal income and franchise tax rates of the state, local and foreign jurisdictions in which the Partnership or any of its subsidiaries conducts business (assuming full deductibility of state and local taxes, and full credit ability and deductibility of foreign taxes, for U.S. federal (and if applicable state and local) income tax purposes).

"Taxes" means (i) all taxes (whether federal, state, local or foreign) based upon or measured by income and any other tax whatsoever, including gross receipts, profits, sales, use, occupation, value added, ad valorem, transfer, franchise, withholding, payroll, employment, excise, or property taxes, together with any interest or penalties imposed with respect thereto and (ii) any obligations under any agreements or arrangements with respect to any Taxes described in clause (i) above.

"Taxing Authority" means any government authority having jurisdiction over the assessment, determination, collection or other imposition of Tax.

"Third Party Claim" shall have the meaning set forth in Section

7.06(a).

"Transaction Affiliates" means, (i) with respect to USAi, the Contributed Subsidiaries, USANi and USANi Sub, and (ii) with respect to Universal, Vivendi.

"Transaction Documents" means this Agreement, the Partnership Agreement, the Warrant Agreement, the Universal/Liberty Merger Agreement, the Stockholders Agreement and the Governance Agreement, collectively.

"Transactions" means the transactions contemplated by the Transaction Documents.

"Transfer Tax" shall have the meaning set forth in Section 4.05(b).

"Universal" shall have the meaning set forth in the Preamble.

"Universal Contributed Interests" means such entity or entities that, as of the Effective Time, will own all of Universal's Contributed Assets.

"Universal/Liberty Merger Agreement" means the Agreement and Plan of Merger and Exchange, among Vivendi, Universal, Light France Acquisition 1, S.A.S., the merger subsidiaries listed on the signature page thereto, Liberty Media Corporation, Liberty Programming Company LLC, Liberty Programming France, Inc. and the Liberty holding entities listed on the signature page thereto, dated as of December 16, 2001.

"USA Cable" means the cable network business of USAi and its Affiliates, including the USA Cable Network, the S-F Cable Network, Trio, Newsworld International and Crime Channel.

"USA Films" means USA Films LLC.

"USA Holding Entities" shall have the meaning set forth in Section 4.17(b).

"USA Name" means "USA Networks", including the presentation of words on the cable network and promotional materials.

"USAi" shall have the meaning set forth in the Preamble.

"USAi Benefit Arrangements" shall have the meaning set forth in Section 3.19(a).

"USAi Board" means the board of directors of USAi.

"USAi Business Employees" shall have the meaning set forth in Section 3.19(a).

"USAi Class B Common Stock" shall have the meaning set forth in Section 3.04(a).

"USAi Common Equity" means USAi Common Stock and USAi Class B Common Stock.

"USAi Common Stock" means the common stock, par value \$.01 per share, of USAi.

"USAi Pension Plans" shall have the meaning set forth in Section 3.19(b).

"USAi Preferred Stock" shall have the meaning set forth in Section 3.04(a).

"USAi SEC Documents" shall have the meaning set forth in Section 3.06(a).

"USAi Shares" shall have the meaning set forth in Section 3.04(a).

"USAi Stockholder Approvals" means (i) the authorization of the Transactions at an annual or special meeting by the affirmative vote of at least 66 2/3% of the outstanding voting

stock, by voting power and by number of shares, which is not owned by Universal, Liberty or Diller or their respective Affiliates and (ii) the approval of the Transactions at an annual or special meeting by a majority of the votes cast by the shareholders of USAi pursuant to Rule 4350 of the National Association of Securities Dealers, Inc.

"USAi Stockholders Meeting" shall have the meaning set forth in Section 4.10(b).

"USANi" shall have the meaning set forth in the Preamble.

"USANi Contributed Interests" means (i) an 83.48% membership interest in USA Networks Partner LLC held by USANi Sub, (ii) 100% of the stock of Tier One Subsidiary, Inc., which is held by New-U Studios Holdings, Inc., (iii) 100% of the capital stock of New-U Studios Inc., which is held by New-U Studios Holdings, Inc., (iv) a 42.48% membership interest in Studios USA held by USANi Sub, (v) a 0.3% membership interest in Studios USA held by New-U Studios Inc., (vi) a 1% membership interest in USA Networks Partner LLC held by Tier One Subsidiary, Inc. and (vii) a 100% membership interest in USA Television Production Group LLC held by USANi Sub.

"USANi Distributed Interests" means the USANi Universal Distributed Interests and the USANi Liberty Distributed Interests.

"USANi Liberty Distributed Interests" means a 15.52% membership interest in USA Networks Partner LLC held by USANi Sub.

"USANi Universal Distributed Interests" means (i) USANi Sub's 50% partnership interest in USA Cable, and (ii) a 57.22% membership interest in Studios USA held by USANi Sub.

"USANi Shares" means the shares representing a proportionate interest in the capital and profits and losses of USANi.

"USANi Sub" means USANi Sub LLC, a Delaware limited liability company.

"USANi LLC Agreement" means the Amended and Restated Limited Liability Company Agreement of USANi LLC dated as of February 12, 1998.

"Vivendi" shall have the meaning set forth in the Preamble.

"Warrant Agreement" means the Equity Warrant Agreement between USAi and The Bank of New York substantially in the form of Exhibit B hereto.

"Warrants" means the warrants to purchase USAi Common Stock on the terms set forth in the Warrant Agreement.

THE SECURITIES REPRESENTED BY THIS INSTRUMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR UNDER ANY STATE SECURITIES LAWS AND MAY NOT BE TRANSFERRED EXCEPT AS EXPRESSLY PERMITTED UNDER THE STOCKHOLDERS AGREEMENT, DATED AS OF DECEMBER 16, 2002, BY AND AMONG USA NETWORKS, INC. AND THE OTHER PARTIES SET FORTH ON THE SIGNATURE PAGES THERETO, AS THE SAME MAY BE AMENDED FROM TIME TO TIME, AND OTHERWISE IN COMPLIANCE WITH FEDERAL AND APPLICABLE STATE SECURITIES LAWS.

## EQUITY WARRANT AGREEMENT

dated as of May 7, 2002

for

Warrants to Purchase

UP TO 60,467,735 SHARES OF COMMON STOCK

EXPIRING MAY 7, 2012

between

USA NETWORKS, INC.

and

THE BANK OF NEW YORK, as

Equity Warrant Agent

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THIS EQUITY WARRANT AGREEMENT (the "Agreement"), dated as of May 7, 2002, between USA Networks, Inc., a Delaware corporation (the "Company"), and Bank of New York, a New York corporation, as warrant agent (the "Equity Warrant Agent").

WHEREAS, pursuant to the Transaction Agreement, by and among the Company, Vivendi Universal, S.A., Universal Studios, Inc., Liberty Media Corporation, Mr. Barry Diller and USANi LLC, dated as of December 16, 2001, the Company has agreed to issue to Canal+ Benelux BV (the "Initial Holder") an aggregate of 60,467,735 warrants, subject to adjustment pursuant to Section 4.1 hereof (collectively, the "Equity Warrants" or, individually, an "Equity Warrant"), each Equity Warrant representing the right to purchase one share of common stock, par value \$.01 per share, of the Company (the "Common Stock") and being evidenced by certificates herein called the "Equity Warrant Certificates";

WHEREAS, the Company desires the Equity Warrant Agent to assist the Company in connection with the issuance, exchange, cancellation, replacement and exercise of the Equity Warrants, and in this Agreement wishes to set forth, among other things, the terms and conditions on which the Equity Warrants may be issued, exchanged, cancelled, replaced and exercised; and

WHEREAS, the Company has duly authorized the execution and delivery of this Agreement to provide for the issuance of Equity Warrants to be exercisable at such times and for such prices, and to have such other provisions, as shall be fixed as hereinafter provided.

NOW, THEREFORE, in consideration of the premises and of the mutual agreements herein contained, the parties hereto agree as follows:

#### ARTICLE 1.

##### DEFINITIONS

"Agreement" shall have the meaning set forth in the preamble.

"Cashless Exercise" shall have the meaning set forth in Section 3.3.

"Cashless Exercise Ratio" means a fraction, the numerator of which is the excess of the Closing Price per share of Common Stock on the Exercise Date over the Exercise Price per share as of the Exercise Date and the denominator of which is the Closing Price per share of the Common Stock on the Exercise Date.

"Closing Price" for each Trading Day shall be the last reported sales price regular way, during regular trading hours, or, in case no such reported sales takes place on such day, the average of the closing bid and asked prices regular way, during regular trading hours, for such day, in each case on The Nasdaq Stock Market or, if not listed or quoted on such market, on the principal national securities exchange on which the shares of Common Stock are listed or admitted to trading or, if not listed or admitted to trading on a national securities exchange, the last sale price regular way for the Common Stock as published by the National Association of Securities Dealers Automated Quotation System ("NASDAQ"), or if such last sale price is not so published by NASDAQ or if no such sale takes place on such day, the mean between the closing

bid and asked prices for the Common Stock as published by NASDAQ. If the Common Stock is not publicly held or so listed or publicly traded, "Closing Price" shall mean the Fair Market Value per share as determined in good faith by the Board of Directors of the Company or, if such determination cannot be made, by a nationally recognized independent investment banking firm selected in good faith by the Board of Directors of the Company.

"Common Stock" shall have the meaning set forth in the recitals.

"Company" shall have the meaning set forth in the preamble.

"Current Market Price" shall have the meaning set forth in Section 4.1(d).

"Equity Warrant" and "Equity Warrants" shall have the meaning set forth in the recitals.

"Equity Warrant Agent" shall have the meaning set forth in the preamble.

"Equity Warrant Certificates" shall have the meaning set forth in the recitals.

"Equity Warrant Register" shall have the meaning set forth in Section 6.1.

"Exercise Date" shall have the meaning set forth in 3.3(a).

"Exercise Price" shall have the meaning set forth in the applicable Equity Warrant Certificate.

"Expiration Date" means 5:00 p.m. New York City time on May 7, 2012.

"Fair Market Value" means the amount that a willing buyer would pay a willing seller in an arm's length transaction.

"Formed, Surviving or Acquiring Corporation" shall have the meaning set forth in Section 5.4.

"Governance Agreement" shall have the meaning set forth in Section 8.10.

"Holder" means the person or persons in whose name such Equity Warrant Certificate shall then be registered as set forth in the Equity Warrant Register to be maintained by the Equity Warrant Agent pursuant to Section 6.1 for that purpose.

"Initial Holder" shall have the meaning set forth in the recitals.

"Non-Electing Share" shall have the meaning set forth in Section 5.4.

"Officer's Certificate" shall have the meaning set forth in Section 7.2(e).

"Prospectus" shall have the meaning set forth in Section 8.9.

"Sale Transaction" shall have the meaning set forth in Section 5.4.

"Stockholders Agreement" shall have the meaning set forth in Section 8.10.

"Time of Determination" shall have the meaning set forth in Section 4.1(d).

"Trading Day" shall mean a day on which the securities exchange utilized for the purpose of calculating the Closing Price shall be open for business or, if the shares of Common Stock shall not be listed on such exchange for such period, a day on which The Nasdaq Stock Market is open for business.

## ARTICLE 2.

### ISSUANCE OF EQUITY WARRANTS AND EXECUTION AND DELIVERY OF EQUITY WARRANT CERTIFICATES

2.1. Issuance of Equity Warrants. Equity Warrants may be issued by the Company from time to time.

2.2. Form and Execution of Equity Warrant Certificates.

(a) The Equity Warrants shall be evidenced by the Equity Warrant Certificates, which shall be in registered form and substantially in the form set forth as Exhibit A attached hereto. Each Equity Warrant Certificate shall be dated the date it is countersigned by the Equity Warrant Agent and may have such letters, numbers or other marks of identification and such legends or endorsements printed, lithographed or engraved thereon as are not inconsistent with the provisions of this Agreement, or as may be required to comply with any law or with any rule or regulation made pursuant thereto or with any rule or regulation of any securities exchange on which the Equity Warrants may be listed, or to conform to usage, as the officer of the Company executing the same may approve (his execution thereof to be conclusive evidence of such approval). Each Equity Warrant Certificate shall evidence one or more Equity Warrants.

(b) The Equity Warrant Certificates shall be signed in the name and on behalf of the Company by its Chairman, its Vice Chairman, its Chief Executive Officer, President or a Vice President (any reference to a Vice President of the Company herein shall be deemed to include any Vice President of the Company whether or not designated by a number or a word or words added before or after the title "Vice President") under its corporate seal, and attested by its Secretary or an Assistant Secretary. Such signatures may be manual or facsimile signatures of the present or any future holder of any such office and may be imprinted or otherwise reproduced on the Equity Warrant Certificates. The seal of the Company may be in the form of a facsimile thereof and may be impressed, affixed, imprinted or otherwise reproduced on the Equity Warrant Certificates.

(c) No Equity Warrant Certificate shall be valid for any purpose, and no Equity Warrant evidenced thereby shall be deemed issued or exercisable, until such Equity Warrant Certificate has been countersigned by the manual or facsimile signature of the Equity Warrant Agent. Such signature by the Equity Warrant Agent upon any Equity Warrant Certificate executed by the Company shall be conclusive evidence that the Equity Warrant Certificate so countersigned has been duly issued hereunder.

(d) In case any officer of the Company who shall have signed any Equity Warrant Certificate either manually or by facsimile signature shall cease to be such officer before the Equity Warrant Certificate so signed shall have been countersigned and delivered by the Equity Warrant Agent, such Equity Warrant Certificate nevertheless may be countersigned and delivered as though the person who signed such Equity Warrant Certificate had not ceased to be such officer of the Company; and any Equity Warrant Certificate may be signed on behalf of the Company by such person as, at the actual date of the execution of such Equity Warrant Certificate, shall be the proper officer of the Company, although at the date of the execution of this Agreement such person was not such an officer.

2.3. Issuance and Delivery of Equity Warrant Certificates. At any time and from time to time after the execution and delivery of this Agreement, the Company may deliver Equity Warrant Certificates executed by the Company to the Equity Warrant Agent for countersignature. Except as provided in the following sentence, the Equity Warrant Agent shall thereupon countersign and deliver such Equity Warrant Certificates to or upon the written request of the Company. Subsequent to the original issuance of an Equity Warrant Certificate evidencing Equity Warrants, the Equity Warrant Agent shall countersign a new Equity Warrant Certificate evidencing such Equity Warrants only if such Equity Warrant Certificate is issued in exchange or substitution for one or more previously countersigned Equity Warrant Certificates evidencing such Equity Warrants or in connection with their transfer, as hereinafter provided.

2.4. Temporary Equity Warrant Certificates. Pending the preparation of a definitive Equity Warrant Certificate, the Company may execute, and upon the order of the Company the Equity Warrant Agent shall countersign and deliver, temporary Equity Warrant Certificates that are printed, lithographed, typewritten, mimeographed or otherwise produced, substantially of the tenor of the definitive Equity Warrant Certificates in lieu of which they are issued and with such appropriate insertions, omissions, substitutions and other variations as the officer executing such Equity Warrant Certificates may determine, as evidenced by his execution of such Equity Warrant Certificates.

If temporary Equity Warrant Certificates are issued, the Company will cause definitive Equity Warrant Certificates to be prepared without unreasonable delay. After the preparation of definitive Equity Warrant Certificates, the temporary Equity Warrant Certificates shall be exchangeable for definitive Equity Warrant Certificates upon surrender of the temporary Equity Warrant Certificates at the corporate trust office of the Equity Warrant Agent. Upon surrender for cancellation of any one or more temporary Equity Warrant Certificates, the Company shall execute and the Equity Warrant Agent shall countersign and deliver in exchange therefor definitive Equity Warrant Certificates representing the same aggregate number of Equity Warrants. Until so exchanged, the temporary Equity Warrant Certificates shall in all respects be entitled to the same benefits under this Agreement as definitive Equity Warrant Certificates.

2.5. Payment of Taxes. The Company will pay all stamp and other duties, if any, to which this Agreement or the original issuance, or exercise, of the Equity Warrants or Equity Warrant Certificates may be subject under the laws of the United States of America or any state or locality; provided, however, that the Holder, and not the Company, shall be required to pay any stamp or other tax or other governmental charge that may be imposed in connection with any transfer involved in the issuance of the Common Stock where the Holder designates the shares to

be issued in a name other than the name of the Holder; and in the event that any such transfer is involved, the Company shall not be required to issue any Common Stock (and the purchase of the shares of Common Stock issued upon the exercise of such Holder's Equity Warrant shall not be deemed to have been consummated) until such tax or other charge shall have been paid or it has been established to the Company's satisfaction that no such tax or other charge is due.

ARTICLE 3.

DURATION AND EXERCISE OF EQUITY WARRANTS

3.1. Exercise Price. Each Holder shall have the right to purchase the number of fully paid and nonassessable shares of Common Stock which the Holder may at the time be entitled to receive on exercise of such Equity Warrant and payment of the Exercise Price, subject to the terms herein. The number of shares of Common Stock which shall be purchasable upon the payment of the Exercise Price and to the extent provided therein, the Exercise Price, shall be subject to adjustment pursuant to Article 4 hereof.

3.2. Duration of Equity Warrants. Each Equity Warrant is exercisable at any time commencing on November 8, 2002\* up to the Expiration Date. Each Equity Warrant not exercised at or before the Expiration Date shall become void, and all rights of the Holder of such Equity Warrant thereunder and under this Agreement shall cease.

3.3. Exercise of Equity Warrants.

(a) The Holder of an Equity Warrant shall have the right, at its option, to exercise such Equity Warrant and purchase one share of Common Stock during the period referred to in Section 3.2, subject to adjustment pursuant to Article 4 hereof. Except as may be provided in an Equity Warrant Certificate, an Equity Warrant may be exercised by completing the form of election to purchase set forth on the reverse side of the Equity Warrant Certificate, by duly executing the same, and by delivering the same, together with payment in full of the Exercise Price, in lawful money of the United States of America, in cash or by certified or official bank check or by bank wire transfer, to the Equity Warrant Agent. In lieu of the foregoing, the Holder of an Equity Warrant shall have the right, at its option, without payment of cash, to reduce the number of shares of Common Stock otherwise obtainable upon the exercise of an Equity Warrant for payment of the Exercise Price in cash, so as to yield a number of shares of Common Stock upon the exercise of such Equity Warrant equal to the product of (x) the number of shares of Common Stock issuable as of the Exercise Date upon the exercise of such Equity Warrant (if payment of the Exercise Price were being made in cash) and (y) the Cashless Exercise Ratio. An exercise of an Equity Warrant in accordance with the immediately preceding sentence is herein called a "Cashless Exercise". Except as may be provided in an Equity Warrant Certificate, the date on which such Equity Warrant Certificate and payment are received by the Equity Warrant Agent as aforesaid shall be deemed to be the date on which the Equity Warrant is exercised and the relevant shares of Common Stock are issued (the "Exercise Date").

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\* Date following the six-month anniversary of the Closing.

(b) Upon the exercise of an Equity Warrant, the Company shall, as soon as practicable, issue, to or upon the order of the Holder of such Equity Warrant, the shares of Common Stock to which such Holder is entitled, registered in such name or names as may be directed by such Holder.

(c) Unless the Equity Warrant Agent and the Company agree otherwise, the Equity Warrant Agent shall deposit all funds received by it in payment of the Equity Warrant Price for Equity Warrants in the account of the Company maintained with it for such purpose and shall advise the Company by telephone by 5:00 P.M., New York City time, of each day on which a payment of the Exercise Price for Equity Warrants is received of the amount so deposited in its account. The Equity Warrant Agent shall promptly confirm such telephone advice in writing to the Company.

(d) The Equity Warrant Agent shall, from time to time, as promptly as practicable, advise the Company of (i) the number of Equity Warrants exercised for cash or otherwise, as provided herein, (ii) the instructions of each Holder of such Equity Warrants with respect to delivery of the Common Stock issued upon exercise of such Equity Warrants to which such Holder is entitled upon such exercise, and (iii) such other information as the Company shall reasonably require. Such advice may be given by telephone to be confirmed in writing.

#### ARTICLE 4.

##### ADJUSTMENTS OF NUMBER OF SHARES

4.1. Adjustments. The number of shares of Common Stock purchasable upon the exercise of the Equity Warrants shall be subject to adjustment as follows:

(a) In case the Company shall (A) pay a dividend or make a distribution on its Common Stock in shares of Common Stock, (B) subdivide its outstanding shares of Common Stock into a greater number of shares, (C) combine its outstanding shares of Common Stock into a smaller number of shares, or (D) issue by reclassification, recapitalization or reorganization of its Common Stock any shares of capital stock of the Company, then in each such case the number of shares of Common Stock issuable upon exercise of an Equity Warrant shall be equitably adjusted so that the Holder of any Equity Warrant thereafter surrendered for conversion shall be entitled to receive the number of shares of Common Stock or other capital stock of the Company which such Holder would have owned or been entitled to receive immediately following such action had such Equity Warrant been exercised immediately prior to the occurrence of such event. An adjustment made pursuant to this subsection 4.1(a) shall become effective immediately after the record date, in the case of a dividend or distribution, or immediately after the effective date, in the case of a subdivision, combination or reclassification. If, as a result of an adjustment made pursuant to this subsection 4.1(a), the Holder of any Equity Warrant thereafter exercised shall become entitled to receive shares of two or more classes of capital stock or shares of Common Stock and other capital stock of the Company, the Board of Directors (whose determination shall be in its good faith judgment and shall be described in a statement filed by the Company with the Equity Warrant Agent) shall determine the allocation of the Exercise Price between or among shares of such classes of capital stock or shares of

Common Stock and other capital stock. Such adjustment shall be made successively whenever any event listed above shall occur.

(b) In case the Company shall issue options, rights or warrants to holders of its outstanding shares of Common Stock entitling them (for a period expiring within 45 days after the record date mentioned below) to subscribe for or purchase shares of Common Stock or other securities convertible or exchangeable for shares of Common Stock at a price per share of Common Stock less than the Current Market Price (as determined pursuant to subsection (d) of this Section 4.1) (other than pursuant to any stock option, restricted stock or other incentive or benefit plan or stock ownership or purchase plan for the benefit of employees, directors or officers or any dividend reinvestment plan of the Company in effect at the time hereof or any other similar plan adopted or implemented hereafter, it being agreed that none of the adjustments set forth in this Section 4.1 shall apply to the issuance of stock, rights, warrants or other property pursuant to such benefit plans), then the number of shares of Common Stock issuable upon exercise of an Equity Warrant shall be adjusted so that it shall equal the product obtained by multiplying the number of shares of Common Stock issuable upon exercise of an Equity Warrant immediately prior to the date of issuance of such rights or warrants by a fraction of which the numerator shall be the number of shares of Common Stock outstanding on the date of issuance of such rights or warrants (immediately prior to such issuance) plus the number of additional shares of Common Stock offered for subscription or purchase and of which the denominator shall be the number of shares of Common Stock outstanding on the date of issuance of such rights or warrants (immediately prior to such issuance) plus the number of shares which the aggregate offering price of the total number of shares so offered would purchase at such Current Market Price. Such adjustment shall be made successively whenever any rights or warrants are issued, and shall become effective immediately after the record date for the determination of stockholders entitled to receive such rights or warrants; provided, however, in the event that all the shares of Common Stock offered for subscription or purchase are not delivered upon the exercise of such rights or warrants, upon the expiration of such rights or warrants the number of shares of Common Stock issuable upon exercise of an Equity Warrant shall be readjusted to the number of shares of Common Stock issuable upon exercise of an Equity Warrant which would have been in effect had the numerator and the denominator of the foregoing fraction and the resulting adjustment been made based upon the number of shares of Common Stock actually delivered upon the exercise of such rights or warrants rather than upon the number of shares of Common Stock offered for subscription or purchase. In determining whether any security covered by this Section 4.1(b) entitles the holders to subscribe for or purchase shares of Common Stock at less than such Current Market Price, and in determining the aggregate offering price of such shares of Common Stock, there shall be taken into account any consideration received by the Company for the issuance of such options, rights, warrants or convertible or exchangeable securities, plus the aggregate amount of additional consideration (as set forth in the instruments relating thereto) to be received by the Company upon the exercise, conversion or exchange of such securities, the value of such consideration, if other than cash, to be determined by the Board of Directors in its good faith judgment (whose determination shall be described in a statement filed by the Company with the Equity Warrant Agent).

(c) In case the Company shall, by dividend or otherwise, distribute to all holders of its outstanding Common Stock, evidences of its indebtedness or assets (including securities and cash, but excluding any regular periodic cash dividend of the Company and



dividends or distributions payable in stock for which adjustment is made pursuant to subsection (a) of this Section 4.1) or rights or warrants to subscribe for or purchase securities of the Company (excluding those referred to in subsection (b) of this Section 4.1), then in each such case the number of shares of Common Stock issuable upon exercise of an Equity Warrant shall be adjusted so that the same shall equal the product determined by multiplying the number of shares of Common Stock issuable upon exercise of an Equity Warrant immediately prior to the record date of such distribution by a fraction of which the numerator shall be the Current Market Price as of the Time of Determination, and of which the denominator shall be such Current Market Price less the Fair Market Value on such record date (as determined by the Board of Directors in its good faith judgment, whose determination shall be described in a statement filed by the Company with the stock transfer or conversion agent, as appropriate) of the portion of the capital stock or assets or the evidences of indebtedness or assets so distributed to the holder of one share of Common Stock or of such subscription rights or warrants applicable to one share of Common Stock. Such adjustment shall be made successively whenever any such distributions referred to in the first sentence of this Section 4.01(c) are made and shall become effective immediately after the record date for the determination of stockholders entitled to receive such distribution.

(d) For the purpose of any computation under subsections (b) and (c) of this Section 4.1, the "Current Market Price" per share of Common Stock on any date shall be deemed to be the average of the daily Closing Prices for the shorter of (A) 10 consecutive Trading Days ending on the day immediately preceding the applicable Time of Determination or (B) the period commencing on the date next succeeding the first public announcement of the issuance of such rights or warrants or such distribution through such last day prior to the applicable Time of Determination. For purposes of the foregoing, the term "Time of Determination" shall mean the time and date of the record date for determining stockholders entitled to receive the rights, warrants or distributions referred to in Section 4.1(b) and (c).

(e) In any case in which this Section 4.1 shall require that an adjustment in the amount of Common Stock or other property to be received by a Holder upon exercise of an Equity Warrant be made effective as of a record date for a specified event, the Company may elect to defer until the occurrence of such event the issuance to the Holder of any Equity Warrant exercised after such record date the Common Stock or other property issuable upon such exercise over and above the shares of Common Stock issuable upon such exercise prior to such adjustment, provided, however, that the Company shall deliver to such Holder a due bill or other appropriate instrument evidencing such Holder's right to receive such additional shares of Common Stock or other property, if any, upon the occurrence of the event requiring such adjustment.

(f) [Intentionally Omitted]

(g) No adjustment in the number of shares of Common Stock issuable upon exercise of an Equity Warrant shall be required to be made pursuant to this Section 4.1 unless such adjustment would require an increase or decrease of at least 1% of such number; provided, however, that any adjustments which by reason of this subsection (g) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under this subsection 4.1(g) shall be made to the nearest cent or to the nearest 1/1000th of a

share, as the case may be. Except as set forth in subsections 4.1(a), (b), and (c) above, the number of shares of Common Stock issuable upon exercise of an Equity Warrant shall not be adjusted as a result of the issuance of Common Stock, or any securities convertible into or exchangeable for Common Stock or carrying the right to purchase any of the foregoing, in exchange for cash, property or services.

4.2. Statement on Warrants. Irrespective of any adjustment in the amount of Common Stock issued upon exercise of an Equity Warrant, Equity Warrants theretofore or thereafter issued may continue to express the same number and kind of shares as are stated in the Equity Warrants initially issuable pursuant to this Agreement.

4.3. Cash Payments in Lieu of Fractional Shares No fractional shares or scrip representing fractions of shares of Common Stock shall be issued upon exercise of the Equity Warrants. If more than one share of Equity Warrants shall be exercised at one time by the same Holder, the number of full shares of Common Stock issuable upon exercise thereof shall be computed on the basis of the aggregate number of shares of Common Stock purchasable on exercise of the Equity Warrants so requested to be exercised. In lieu of any fractional interest in a share of Common Stock which would otherwise be deliverable upon the exercise of such Equity Warrants, the Company shall pay to the Holder of such Equity Warrants an amount in cash (computed to the nearest cent) equal to the Closing Price on the Exercise Date (or the next Trading Day if such date is not a Trading Day) multiplied by the fractional interest that otherwise would have been deliverable upon exercise of such Equity Warrants.

4.4. Notices to Warrantholders. Upon any adjustment of the amount of Common Stock issuable upon exercise of an Equity Warrant pursuant to Section 4.1 (but not for any fractional cumulation as described in Section 4.1(f)), the Company within 30 days thereafter shall (i) cause to be filed with the Equity Warrant Agent an Officer's Certificate (as defined hereinafter) setting forth the amount of Common Stock issuable upon exercise of an Equity Warrant after such adjustment and setting forth in reasonable detail the method of calculation and the facts upon which such calculations are based, which certificate, absent manifest error and any failure to comply with Section 4.1 (other than failures that are de minimus in nature), shall be conclusive evidence of the correctness of the matters set forth therein, and (ii) cause to be given to each of the registered Holders at his address appearing on the Equity Warrant Register (as defined hereinafter) written notice of such adjustments by first-class mail, postage prepaid.

#### ARTICLE 5.

##### OTHER PROVISIONS RELATING TO RIGHTS OF HOLDERS OF EQUITY WARRANTS

5.1. No Rights as Holder of Common Stock Conferred by Equity Warrants or Equity Warrant Certificates. No Equity Warrant or Equity Warrant Certificate shall entitle the Holder to any of the rights of a holder of Common Stock, including, without limitation, voting, dividend or liquidation rights.

5.2. Lost, Stolen, Destroyed or Mutilated Equity Warrant Certificates. Upon receipt by the Company and the Equity Warrant Agent of evidence reasonably satisfactory to them of

the ownership of and the loss, theft, destruction or mutilation of any Equity Warrant Certificate and of indemnity (other than in connection with any mutilated Equity Warrant certificates surrendered to the Equity Warrant Agent for cancellation) reasonably satisfactory to them, the Company shall execute, and the Equity Warrant Agent shall countersign and deliver, in exchange for or in lieu of each lost, stolen, destroyed or mutilated Equity Warrant Certificate, a new Equity Warrant Certificate evidencing a like number of Equity Warrants of the same title. Upon the issuance of a new Equity Warrant Certificate under this Section, the Company may require the payment of a sum sufficient to cover any stamp or other tax or other governmental charge that may be imposed in connection therewith and any other expenses (including the fees and expenses of the Equity Warrant Agent) in connection therewith. Every substitute Equity Warrant Certificate executed and delivered pursuant to this Section in lieu of any lost, stolen or destroyed Equity Warrant Certificate shall represent a contractual obligation of the Company, whether or not such lost, stolen or destroyed Equity Warrant Certificate shall be at any time enforceable by anyone, and shall be entitled to the benefits of this Agreement equally and proportionately with any and all other Equity Warrant Certificates, duly executed and delivered hereunder, evidencing Equity Warrants of the same title. The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement of lost, stolen, destroyed or mutilated Equity Warrant Certificates.

5.3. Holders of Equity Warrants May Enforce Rights. Notwithstanding any of the provisions of this Agreement, any Holder may, without the consent of the Equity Warrant Agent, enforce and may institute and maintain any suit, action or proceeding against the Company suitable to enforce, or otherwise in respect of his right to exercise his Equity Warrants as provided in the Equity Warrants and in this Agreement.

5.4. Consolidation or Merger or Sale of Assets. For purposes of this Section 5.4, a "Sale Transaction" means any transaction or event, including any merger, consolidation, sale of assets, tender or exchange offer, reclassification, compulsory share exchange or liquidation, in which all or substantially all outstanding shares of the Company's Common Stock are converted into or exchanged for stock, other securities, cash or assets or following which any remaining outstanding shares of Common Stock fail to meet the listing standards imposed by each of the New York Stock Exchange, the American Stock Exchange and the Nasdaq National Market at the time of such transaction, but shall not include any transaction the primary purpose of which is the reincorporation of the Company in another U.S. jurisdiction so long as in such transaction each Equity Warrant shall convert into an equity security of the successor to the Company having identical rights as the Equity Warrant. If a Sale Transaction occurs, then lawful provision shall be made by the corporation formed by such Sale Transaction or the corporation whose securities, cash or other property will immediately after the Sale Transaction be owned, by virtue of such Sale Transaction, by the holders of Common Stock immediately prior to the Sale Transaction, or the corporation which shall have acquired such securities of the Company (collectively the "Formed, Surviving or Acquiring Corporation"), as the case may be, providing that each Equity Warrant then outstanding shall thereafter be exercisable for the kind and amount of securities, cash or other property receivable upon such Sale Transaction by a holder of the number of shares of Common Stock that would have been received upon exercise of such Equity Warrant immediately prior to such Sale Transaction assuming such holder of Common Stock did not exercise his rights of election, if any, as to the kind or amount of securities, cash or other property receivable upon such Sale Transaction (provided that, if the kind or amount of

securities, cash or other property receivable upon such Sale Transaction is not the same for each share of Common Stock in respect of which such rights of election shall not have been exercised ("Non-Electing Share"), then for the purposes of this Section 5.4 the kind and amount of securities, cash or other property receivable upon such Sale Transaction for each Non-Electing Share shall be deemed to be the kind and amount so receivable per share by a plurality of the Non-Electing Shares). At the option of the Company, in lieu of the foregoing, the Company may require that in a Sale Transaction each Holder of an Equity Warrant shall receive in exchange for each such Equity Warrant a security of the Formed, Surviving or Acquiring Corporation having substantially equivalent rights, other than as set forth in this Section 5.4, as the Equity Warrant. Concurrently with the consummation of such transaction, the Formed, Surviving or Acquiring Corporation shall enter into a supplemental Equity Warrant Agreement so providing and further providing for adjustments which shall be as nearly equivalent as may be practical to the adjustments provided for in Section 4.1. The Formed, Surviving or Acquiring Corporation shall mail to Holders a notice describing the supplemental Equity Warrant Agreement. If the issuer of securities deliverable upon exercise of Equity Warrants under the supplemental Equity Warrant Agreement is an affiliate of the formed or surviving corporation, that issuer shall join in the supplemental Equity Warrant Agreement. Notwithstanding anything to the contrary herein, there will be no adjustments pursuant to Article 4 hereof in case of the issuance of any shares of the Company's stock in a Sale Transaction except as provided in this Section 5.4. The provisions of this Section 5.4 shall similarly apply to successive Sale Transactions; provided, however, that in no event shall a Holder of an Equity Warrant be entitled to more than one adjustment pursuant to this Section 5.4 in respect of a series of related transactions.

#### ARTICLE 6.

##### EXCHANGE AND TRANSFER OF EQUITY WARRANTS

6.1. Equity Warrant Register; Exchange and Transfer of Equity Warrants. The Equity Warrant Agent shall maintain, at its corporate trust office or at 385 Rifle Camp Road, Reorganization Services Department, 5th Floor, West Paterson, New Jersey 07424, a register (the "Equity Warrant Register") in which, upon the issuance of Equity Warrants, and, subject to such reasonable regulations as the Equity Warrant Agent may prescribe, it shall register Equity Warrant Certificates and exchanges and transfers thereof. The Equity Warrant Register shall be in written form or in any other form capable of being converted into written form within a reasonable time.

Except as provided in the following sentence, upon surrender at the corporate trust office of the Equity Warrant Agent or at 385 Rifle Camp Road, Reorganization Services Department, 5th Floor, West Paterson, New Jersey 07424, Equity Warrant Certificates may be exchanged for one or more other Equity Warrant Certificates evidencing the same aggregate number of Equity Warrants of the same title, or may be transferred in whole or in part. A transfer shall be registered and an appropriate entry made in the Equity Warrant Register upon surrender of an Equity Warrant Certificate to the Equity Warrant Agent at its corporate trust office or at 385 Rifle Camp Road, Reorganization Services Department, 5th Floor, West Paterson, New Jersey 07424 for transfer, properly endorsed or accompanied by appropriate instruments of transfer and written instructions for transfer, all in form satisfactory to the Company and the Equity Warrant Agent. Whenever an Equity Warrant Certificate is

surrendered for exchange or transfer, the Equity Warrant Agent shall countersign and deliver to the person or person entitled thereto one or more Equity Warrant Certificates duly executed by the Company, as so requested. The Equity Warrant Agent shall not be required to effect any exchange or transfer which will result in the issuance of an Equity Warrant Certificate evidencing a fraction of an Equity Warrant. All Equity Warrant Certificates issued upon any exchange or transfer of an Equity Warrant Certificate shall be the valid obligations of the Company, evidencing the same obligations, and entitled to the same benefits under this Agreement, as the Equity Warrant Certificate surrendered for such exchange or transfer.

No service charge shall be made for any exchange or transfer of Equity Warrants, 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 such exchange or transfer, in accordance with Section 2.5 hereof.

6.2. Treatment of Holders of Equity Warrants. Every Holder of an Equity Warrant, by accepting the Equity Warrant Certificate evidencing the same, consents and agrees with the Company, the Equity Warrant Agent and with every other Holder of Equity Warrants that the Company and the Equity Warrant Agent may treat the record holder of an Equity Warrant Certificate as the absolute owner of such Equity Warrant for all purposes and as the person entitled to exercise the rights represented by such Equity Warrant.

6.3. Cancellation of Equity Warrant Certificates. In the event that the Company shall purchase, redeem or otherwise acquire any Equity Warrants after the issuance thereof, the Equity Warrant Certificate shall thereupon be delivered to the Equity Warrant Agent and be canceled by it. The Equity Warrant Agent shall also cancel any Equity Warrant Certificate (including any mutilated Equity Warrant Certificate) delivered to it for exercise, in whole or in part, or for exchange or transfer. Equity Warrant Certificates so canceled shall be delivered by the Equity Warrant Agent to the Company from time to time, or disposed of in accordance with the instructions of the Company.

#### ARTICLE 7.

##### CONCERNING THE EQUITY WARRANT AGENT

7.1. Equity Warrant Agent. The Company hereby appoints The Bank of New York as Equity Warrant Agent of the Company in respect of the Equity Warrants upon the terms and subject to the conditions set forth herein; and The Bank of New York hereby accepts such appointment. The Equity Warrant Agent shall have the powers and authority granted to and conferred upon it in the Equity Warrant Certificates and hereby and such further powers and authority acceptable to it to act on behalf of the Company as the Company may hereafter grant to or confer upon it. All of the terms and provisions with respect to such powers and authority contained in the Equity Warrant Certificates are subject to and governed by the terms and provisions hereof.

7.2. Conditions of Equity Warrant Agent's Obligations. The Equity Warrant Agent accepts its obligations set forth herein upon the terms and conditions hereof, including the

following, to all of which the Company agrees and to all of which the rights hereunder of the Holders shall be subject:

(a) Compensation and Indemnification. The Company agrees to pay the Equity Warrant Agent from time to time such compensation for its services as the Company and the Equity Warrant shall agree in writing and to reimburse the Equity Warrant Agent for reasonable out-of-pocket expenses (including reasonable counsel fees) incurred by the Equity Warrant Agent in connection with the services rendered hereunder by the Equity Warrant Agent. The Company also agrees to indemnify the Equity Warrant Agent for, and to hold it harmless against, any loss, liability or expenses (including the reasonable costs and expense of defending against any claim of liability) incurred without negligence or bad faith on the part of the Equity Warrant Agent arising out of or in connection with its appointment as Equity Warrant Agent hereunder.

(b) Agent for the Company. In acting under this Agreement and in connection with any Equity Warrant Certificate, the Equity Warrant Agent is acting solely as agent of the Company and does not assume any obligation or relationship of agency or trust for or with any Holder.

(c) Counsel. The Equity Warrant Agent may consult with counsel reasonably satisfactory to it, and the advice of such 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 accordance with the advice of such counsel.

(d) Documents. The Equity Warrant Agent shall be protected and shall incur no liability for or in respect of any action taken, suffered or omitted by it in reliance upon any notice, direction, consent, certification, affidavit, statement or other paper or document reasonably believed by it to be genuine and to have been presented or signed by the proper parties.

(e) Officer's Certificate. Whenever in the performance of its duties hereunder the Equity Warrant Agent shall reasonably deem it necessary that any fact or matter be proved or established by the Company prior to taking, suffering or omitting any action hereunder, the Equity Warrant Agent may (unless other evidence in respect thereof be herein specifically prescribed), in the absence of bad faith on its part, rely upon a certificate signed by the Chairman, the Vice Chairman, the Chief Executive Officer, the President, a Vice President, the Treasurer, and Assistant Treasurer, the Secretary or an Assistant Secretary of the Company (an "Office's Certificate") delivered by the Company to the Equity Warrant Agent.

(f) Actions Through Agents. The Equity Warrant Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys or agents, provided, however, that reasonable care shall be exercised in the selection and continued employment of such attorneys and agents.

(g) Certain Transactions. The Equity Warrant Agent, and any officer, director or employee thereof, may become the owner of, or acquire interest in, any Equity Warrant, with the same rights that he, she or it would have if it were not the Equity Warrant Agent, and, to the extent permitted by applicable law, he, she or it may engage or be interested in any financial or other transaction with the Company and may serve on, or as depositary, trustee or agent for, any committee or body of holders of any obligations of the Company as if it were not the Equity Warrant Agent.

(h) No Liability for Interest. The Equity Warrant Agent shall not be liable for interest on any monies at any time received by it pursuant to any of the provisions of this Agreement or of the Equity Warrant Certificates, except as otherwise agreed with the Company.

(i) No Liability for Invalidity. The Equity Warrant Agent shall incur no liability with respect to the validity of this Agreement (except as to the due execution hereof by the Equity Warrant Agent) or any Equity Warrant Certificate (except as to the countersignature thereof by the Equity Warrant Agent).

(j) No Responsibility for Company Representations. The Equity Warrant Agent shall not be responsible for any of the recitals or representations contained herein (except as to such statements or recitals as describe the Equity Warrant Agent or action taken or to be taken by it) or in any Equity Warrant Certificate (except as to the Equity Warrant Agent's countersignature on such Equity Warrant Certificate), all of which recitals and representations are made solely by the Company.

(k) No Implied Obligations. The Equity Warrant Agent shall be obligated to perform only such duties as are specifically set forth herein, and no other duties or obligations shall be implied. The Equity Warrant Agent shall not be under any obligation to take any action hereunder that may subject it to any expense or liability, the payment of which within a reasonable time is not, in its reasonable opinion, assured to it. The Equity Warrant Agent shall not be accountable or under any duty or responsibility for the use by the Company of any Equity Warrant Certificate countersigned by the Equity Warrant Agent and delivered by it to the Company pursuant to this Agreement or for the application by the Company of the proceeds of the issuance or exercise of Equity Warrants. The Equity Warrant Agent shall have no duty or responsibility in case of any default by the Company in the performance of its covenants or agreements contained herein or in any Equity Warrant Certificate or in case of the receipt of any written demand from a Holder with respect to such default, including, without limiting the generality of the foregoing, any duty or responsibility to initiate or attempt to initiate any proceedings at law or otherwise or, except as provided in Section 8.2 hereof, to make any demand upon the Company.

7.3. Compliance with Applicable Laws. The Equity Warrant Agent agrees to comply with all applicable federal and state laws imposing obligations on it in respect of the services rendered by it under this Agreement and in connection with the Equity Warrants, including (but not limited to) the provisions of United States federal income tax laws regarding information reporting and backup withholding. The Equity Warrant Agent expressly assumes all liability for

its failure to comply with any such laws imposing obligations on it, including (but not limited to) any liability for failure to comply with any applicable provisions of United States federal income tax laws regarding information reporting and backup withholding.

#### 7.4. Resignation and Appointment of Successor.

(a) The Company agrees, for the benefit of the Holders of the Equity Warrants, that there shall at all times be an Equity Warrant Agent hereunder until all the Equity Warrants are no longer exercisable.

(b) The Equity Warrant Agent may at any time resign as such agent by giving written notice to the Company of such intention on its part, specifying the date on which its desired resignation shall become effective, subject to the appointment of a successor Equity Warrant Agent and acceptance of such appointment by such successor Equity Warrant Agent, as hereinafter provided. The Equity Warrant Agent hereunder may be removed at any time by the filing with it of an instrument in writing signed by or on behalf of the Company and specifying such removal and the date when it shall become effective. Such resignation or removal shall take effect upon the appointment by the Company, as hereinafter provided, of a successor Equity Warrant Agent (which shall be a banking institution organized under the laws of the United States of America, or one of the states thereof and having an office or an agent's office in the Borough of Manhattan, the City of New York) and the acceptance of such appointment by such successor Equity Warrant Agent. In the event a successor Equity Warrant Agent has not been appointed and has not accepted its duties within 90 days of the Equity Warrant Agent's notice of resignation, the Equity Warrant Agent may apply to any court of competent jurisdiction for the designation of a successor Equity Warrant Agent.

(c) In case at any time the Equity Warrant Agent shall resign, or shall be removed, or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or make an assignment for the benefit of its creditors or consent to the appointment of a receiver or custodian of all or any substantial part of its property, or shall admit in writing its inability to pay or meet its debts as they mature, or if a receiver or custodian of it or all or any substantial part of its property shall be appointed, or if any public officer shall have taken charge or control of the Equity Warrant Agent or of its property or affairs, for the purpose of rehabilitation, conservation or liquidation, a successor Equity Warrant Agent, qualified as aforesaid, shall be appointed by the Company by an instrument in writing, filed with the successor Equity Warrant Agent. Upon the appointment as aforesaid of a successor Equity Warrant Agent and acceptance by the latter of such appointment, the Equity Warrant Agent so superseded shall cease to be the Equity Warrant Agent hereunder.

(d) Any successor Equity Warrant Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the Company an instrument accepting such appointment hereunder, and thereupon such successor Equity Warrant Agent, without any further act, deed or conveyance, shall become vested with all the authority, rights, powers, trusts, immunities, duties and obligations of such predecessor with like effect as if originally named as Equity Warrant Agent hereunder, and such predecessor, upon payment of its charges and disbursements then unpaid, shall thereupon become obligated to transfer, deliver and pay over,



and such successor Equity Warrant Agent shall be entitled to receive all moneys, securities and other property on deposit with or held by such predecessor, as Equity Warrant Agent hereunder.

(e) Any corporation into which the Equity Warrant Agent hereunder may be merged or converted or any corporation with which the Equity Warrant Agent may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Equity Warrant Agent shall be a party, or any corporation to which the Equity Warrant Agent shall sell or otherwise transfer all or substantially all of the assets and business of the Equity Warrant Agent, provided that it shall be qualified as aforesaid, shall be the successor Equity Warrant Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto.

## ARTICLE 8.

### MISCELLANEOUS

#### 8.1. Amendment.

(a) This Agreement and the Equity Warrants may be amended by the Company and the Equity Warrant Agent, without the consent of the Holders of Equity Warrants, for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective or inconsistent provision contained herein or therein or in any other manner which the Company may deem to be necessary or desirable and which will not (i) materially and adversely affect the rights of the Equity Warrants and (ii) adversely affect the rights of the Initial Holder under this Agreement to the extent the Initial Holder is a Holder at the time of such amendment.

(b) The Company and the Equity Warrant Agent may modify or amend this Agreement and the Equity Warrant Certificates with the consent of the Holders of not fewer than a majority in number of the then outstanding unexercised Equity Warrants affected by such modification or amendment, for any purpose; provided, however, (i) that no such modification or amendment that shortens the period of time during which the Equity Warrants may be exercised, or increases the Exercise Price, or otherwise materially and adversely affects the exercise rights of the holders or reduces the percentage of holders of outstanding Equity Warrants the consent of which is required for modification or amendment of this Agreement or the Equity Warrants, may be made without the consent of each Holder affected thereby, and (ii) that no such modification or amendment that adversely affects the exercise rights of the holders may be made without the consent of the Initial Holder of the Equity Warrants to the extent the Initial Holder is a Holder at the time of such modification and/or amendment.

8.2. Notices and Demands to the Company and Equity Warrant Agent. If the Equity Warrant Agent shall receive any notice or demand addressed to the Company by any Holder pursuant to the provisions of the Equity Warrant Certificate, the Equity Warrant Agent shall promptly forward such notice or demand to the Company.

8.3. Addresses for Notices. Any communications from the Company to the Equity Warrant Agent with respect to this Agreement shall be addressed to The Bank of New York, 385 Rifle Camp Road, Reorganization Services Department, 5th Floor, West Paterson, New Jersey

07424; any communications from the Equity Warrant Agent to the Company with respect to this Agreement shall be addressed to USA Networks, Inc., 152 West 57th Street, New York, NY 10019, Attention: General Counsel; or such other addresses as shall be specified in writing by the Equity Warrant Agent or by the Company.

8.4. Governing Law. This Agreement and the Equity Warrants shall be governed by the laws of the State of New York applicable to contracts made and to be performed entirely within such state.

8.5. Governmental Approvals. The Company will from time to time use all reasonable efforts to obtain and keep effective any and all permits, consents and approvals of governmental agencies and authorities and the national securities exchange on which the Equity Warrants may be listed or authorized for trading from time to time and filings under the United States federal and state laws, which may be or become requisite in connection with the issuance, sale, trading, transfer or delivery of the Equity Warrants, and the exercise of the Equity Warrants.

8.6. Reservation of Shares of Common Stock. The Company covenants that it will at all times reserve and keep available, free from preemptive rights (other than such rights as do not affect the ownership of shares issued to a Holder), out of the aggregate of its authorized but unissued shares of Common Stock or its issued shares of Common Stock held in its treasury, or both, for the purpose of effecting exercises of Equity Warrants, the full number of shares of Common Stock deliverable upon the exercise of all outstanding Equity Warrants not theretofore exercised and on or before taking any action that would cause an adjustment resulting in an increase in the number of shares of Common Stock deliverable upon exercise above the number thereof previously reserved and available therefor, the Company shall take all such action so required. For purposes of this Section 8.6, the number of shares of Common Stock which shall be deliverable upon the exercise of all outstanding Equity Warrants shall be computed as if at the time of computation all outstanding Equity Warrants were held by a single holder. Before taking any action which would cause an adjustment reducing the price per share of Common Stock issued upon exercise of the Equity Warrants below the then par value (if any) of such shares of Common Stock, the Company shall take any corporate action which may, in the opinion of its counsel, be necessary in order that the Company may validly and legally issue fully paid and non-assessable shares of Common Stock at such Exercise Price.

8.7. Covenant Regarding Shares of Common Stock. All shares of Common Stock which may be delivered upon exercise of the Equity Warrants will upon delivery be duly and validly issued and fully paid and non-assessable, free of all liens and charges and not subject to any preemptive rights (other than rights which do not affect the Holder's right to own the shares of Common Stock to be issued), and prior to the Exercise Date the Company shall take any corporate action necessary therefor. The issuance of all such shares of Common Stock shall, to the extent permitted by law, be registered under the Securities Act of 1933, as amended.

8.8. Persons Having Rights Under Agreement. Nothing in this Agreement expressed or implied and nothing that may be inferred from any of the provisions hereof is intended, or shall be construed, to confer upon, or give to, any person or corporation other than the Company, the Equity Warrant Agent and the Holders any right, remedy or claim under or by reason of this

Agreement or of any covenant, condition, stipulation, promise or agreement hereof; and all covenants, conditions, stipulations, promises and agreements in this Agreement contained shall be for the sole and exclusive benefit of the Company and the Equity Warrant Agent and their successors and of the Holders of Equity Warrant Certificates.

8.9. Limitation of Liability. No provision hereof, in the absence of affirmative action by the Holder to purchase shares of Common Stock, and no enumeration herein of the rights or privileges of the Holder hereof, shall give rise to any liability of such Holder to pay the Exercise Price for any shares of Common Stock other than pursuant to an exercise of the Equity Warrant or any liability as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

8.10. Restrictions on Transfer/Registration Rights. For any transfer of Equity Warrants and/or the Common Stock purchasable upon exercise of the Equity Warrants to be effective, the Holders of the Equity Warrants must comply with the transfer restrictions set forth in the Amended and Restated Stockholders Agreement, dated as of December 16, 2001, among the Company and the other parties on the signature pages thereto, as the same may be amended from time to time (the "Stockholders Agreement"). On delivery of the Equity Warrants by the Company to the Initial Holder, such Initial Holder (and to the extent provided for in the Amended and Restated Governance Agreement, dated as of December 16, 2001, among the Company and the other parties set forth on the signature pages thereto, as the same may be amended from time to time (the "Governance Agreement"), certain transferees of the Initial Holder) shall have registration rights with respect to the Equity Warrants to the extent provided in the Governance Agreement.

8.11. Headings. The descriptive headings of the several Articles and Sections and the Table of Contents of this Agreement are for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

8.12. Counterparts. This Agreement may be executed by the parties hereto in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original; but all such counterparts shall together constitute but one and the same instrument.

8.13. Inspection of Agreement. A copy of this Agreement shall be available at all reasonable times at the principal corporate trust office of the Equity Warrant Agent, for inspection by the Holders of Equity Warrants.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed, all as of the day and year first above written.

USA NETWORKS, INC.

By /s/ Julius Genachowski

-----  
Name: Julius Genachowski  
Title: Executive Vice President

Attest:

/s/ Joanne Hawkins

-----  
Name: Joanne Hawkins  
Title: Assistant Secretary

THE BANK OF NEW YORK

By /s/ Ralph Chianese

-----  
Name: Ralph Chianese  
Title: Vice President

Attest:

/s/ Nadine Murden

-----  
Name: Nadine Murden  
Title: Assistant Treasurer

=====

AMENDED AND RESTATED LIMITED LIABILITY LIMITED PARTNERSHIP  
AGREEMENT

of

VIVENDI UNIVERSAL ENTERTAINMENT LLLP

dated as of May 7, 2002,

by and among

USI ENTERTAINMENT INC.,

USANI HOLDING XX, INC.,

UNIVERSAL PICTURES INTERNATIONAL HOLDINGS BV,

UNIVERSAL PICTURES INTERNATIONAL HOLDINGS 2 BV,

NYCSPIRIT CORP. II,

USA NETWORKS, INC.,

USANi SUB LLC,

NEW-U STUDIOS HOLDINGS, INC.

and

BARRY DILLER

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AMENDED AND RESTATED LIMITED LIABILITY LIMITED PARTNERSHIP AGREEMENT of VIVENDI UNIVERSAL ENTERTAINMENT LLLP (the "Partnership") dated as of May 7, 2002, by and among USI ENTERTAINMENT INC., a Delaware corporation ("Universal Sub"), as general partner, USANI HOLDINGS XX, INC., a Delaware corporation ("USANI XX"), UNIVERSAL PICTURES INTERNATIONAL HOLDINGS BV, a corporation organized under the laws of The Netherlands ("UPI Holdings"), UNIVERSAL PICTURES INTERNATIONAL HOLDINGS 2 BV, a corporation organized under the laws of The Netherlands ("UPI Holdings 2"), NYCSPiRiT CORP. II, a Delaware corporation ("NYCSpirit"), USA NETWORKS, INC., a Delaware corporation ("USAi"), USANi SUB LLC, a Delaware limited liability company ("USANi Sub"), NEW-U STUDIOS HOLDINGS, INC., a Delaware corporation ("New-U Studios"), and Barry Diller ("Diller"), as limited partners , for purposes of Sections 10.03(f) and 10.04(d) only, VIVENDI UNIVERSAL, S.A., a societe anonyme organized under the laws of France ("Vivendi"), for purposes of Sections 8.07 and 10.03 only, UNIVERSAL STUDIOS, INC., a Delaware corporation ("Universal"), and, for purposes of Section 8.07 only, SUB I - USA Holding LLC, a Delaware limited liability company ("SUB I-USA"), USI - USA Holding LLC, a Delaware limited liability company ("USI-USA"), USIE - USA Holding LLC, a Delaware limited liability company ("USIE-USA"), and V - USA Holding LLC, a Delaware limited liability company ("V-USA").

Preliminary Statement

-----

WHEREAS, the parties hereto (or Affiliates thereof) are parties to the Amended and Restated Transaction Agreement (the "Transaction Agreement") dated as of December 16, 2001, by and among Vivendi, Universal, USAi, USANi LLC, a Delaware limited liability company, Liberty and Diller;

WHEREAS, Universal Sub and USI Interim LP Inc. (the "Initial Limited Partner") are parties to the Agreement of Limited Liability Limited Partnership of the Partnership (the "Original Partnership Agreement") dated as of April 15, 2002;

WHEREAS, Universal Sub, as general partner of the Partnership, has duly executed and filed with the Secretary of State of the State of Delaware (i) a statement of qualification as a limited liability limited partnership and (ii) a certificate of limited partnership;

WHEREAS, the parties hereto desire to continue the Partnership and to amend and restate the terms and provisions of the Original Partnership Agreement in the form hereof; and

WHEREAS, immediately upon the admission of at least one additional Limited Partner as a limited partner of the Partnership, the Initial Limited Partner shall withdraw from the Partnership.

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

ARTICLE I

Definitions and Usage  
-----

SECTION 1.01 Definitions. The terms shall have the following meanings for purposes of this Agreement:

"Additional Partner" means any Person admitted as a Partner of the Partnership pursuant to Section 3.03 in connection with the new issuance of a Common Interest to such Person.

"Affiliate" of any specified Person means any other Person directly or indirectly Controlling, Controlled by or under direct or indirect common Control with such specified Person. For purposes of the foregoing, (i) USANi Sub and its Affiliates shall be deemed to be Affiliates of USAi, (ii) none of USAi, Universal or Diller, or any of their respective Affiliates, shall be deemed to be Affiliates of one another, and (iii) none of USAi, Universal or Diller, or any of their respective Affiliates, shall be deemed to be an Affiliate of the Partnership.

"Agreement" means this Amended and Restated Limited Liability Limited Partnership Agreement, as the same may be amended or restated from time to time.

"Appraised Value" of a Common Interest means (x) the Participation Percentage of such Common Interest multiplied by (y) the private market value of the Partnership taken as a whole; provided, however, that such valuation shall not assume the value of the Partnership in an "auction" proceeding, and any valuation methodology shall exclude any acquisition of similar assets or businesses at a uniquely high valuation due to a purchaser's strategic need to acquire such assets or businesses.

"Assignment Agreement" means the Assignment Agreement dated as of the Closing Date, by and among Vivendi, Universal, SUB I-USA, USI-USA, USIE-USA, V-USA and USAi.

"Bankrupt Partner" is defined in Section 12.02(a).

"Bankruptcy" of a Person means (i) the filing by such Person of a voluntary petition seeking liquidation, reorganization, arrangement or readjustment, in any form, of its debts under Title 11 of the United States Code (or corresponding provisions of future laws) or any other bankruptcy or insolvency law, whether foreign or domestic, or such Person's filing an answer consenting to or acquiescing in any such petition, (ii) the making by such Person of any assignment for the benefit of its creditors or the admission by such Partner in writing of its inability to pay its debts as they mature or (iii) the expiration of 60 days after the filing of an involuntary petition under Title 11 of the United States Code (or corresponding provisions of

future laws), an application for the appointment of a receiver for the assets of such Person, or an involuntary petition seeking liquidation, reorganization, arrangements, composition, dissolution or readjustment of its debts or similar relief under any bankruptcy or insolvency law, provided that the same shall not have been vacated, set aside or stayed within such 60-day period. This definition of "Bankruptcy" is intended to replace the bankruptcy related events set forth in Sections 17-402(a)(4) and (a)(5) of the Delaware Act.

"Bankruptcy Code" means the United States Bankruptcy Code of 1978, as amended.

"Beneficial Owner" and "Beneficial Ownership" have the meanings set forth in Rule 13d-3 and Rule 13d-5 under the Securities Exchange Act of 1934, as amended, except that a Person shall be deemed to have Beneficial Ownership of all securities that such Person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent event.

"Board" is defined in Section 9.02(b).

"Business" means any of the programming, television distribution, cable network, film and theme park businesses.

"Business Day" means any day other than a Saturday, a Sunday or a U.S. Federal holiday.

"Call" means the USAi Call or the Diller Call.

"Capital Account" is defined in Section 7.01(a).

"Capital Contribution" means, with respect to any Partner, any capital contribution made by such Partner to the Partnership pursuant to Section 3.01 or 6.02.

"Cause" means (i) the conviction of, or pleading guilty to, any felony, or (ii) the willful, continued and complete failure to attend to managing the business affairs of the Partnership, after written notice of such failure from the General Partner and reasonable opportunity to cure.

"Chairman" is defined in Section 9.02(b).

"Class A Preferred Interests" is defined in Section 5.01(a).

"Class B Preferred Consideration" is defined in Section 8.07.

"Class B Preferred Interests" is defined in Section 5.01(b).

"Closing" means the closing of the transactions contemplated by the Transaction Agreement.

"Closing Date" means the date of the Closing.

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

"Common Interest" means a partnership interest in the Partnership that is not a Preferred Interest.

"Consolidated Tangible Net Worth" means total assets of the Partnership and its consolidated subsidiaries, determined in accordance with U.S. generally accepted accounting principles, giving effect to purchase accounting, and deducting therefrom consolidated current liabilities and, to the extent otherwise included, goodwill, patents, trademarks, service marks, trade names, copyrights, licenses and other intangible items.

"Control", with reference to any Person, means the Beneficial Ownership of a majority of the outstanding voting power (or equivalent) of such Person and the terms "Controlling" and "Controlled" have meanings correlative to the foregoing.

"Covered Person" means (i) each Partner, (ii) each Affiliate of a Partner, (iii) each Representative and each officer, director, shareholder, partner, employee, member, manager, representative, agent or trustee of a Partner or of an Affiliate of a Partner and (iv) each officer of USAi serving as an employee of the Partnership.

"Delaware Act" means the Delaware Revised Uniform Limited Partnership Act, 6 Del. C.ss.ss.17-101 et seq., as amended from time to time or any successor statute.

"Diller" is defined in the Preamble.

"Diller Call" is defined in Section 10.03(b).

"Diller Put" is defined in Section 10.03(b).

"Disabled" means the disability of Diller after the expiration of more than 180 consecutive days after its commencement which is determined to be total and permanent by a physician selected by the Partnership and reasonably acceptable to Diller; provided that Diller shall be deemed to be disabled only following the expiration of 90 days following receipt of a written notice from the Partnership and such physician specifying that a disability has occurred if within such 90-day period he fails to return to managing the business affairs of the Partnership. A total disability shall mean mental or physical incapacity that prevents Diller from managing the business affairs of the Partnership.

"DRUPA" is defined in Section 2.02.

"Effective Time" means the Closing.

"Face Value" of a Preferred Interest, as of any time, means the amount equal to the initial Capital Contribution attributable to such Preferred Interest as adjusted from time to time pursuant to Section 5.03.

"Fiscal Year" is defined in Section 7.06.

"General Partner" means Universal Sub, any Substitute Partner that is admitted as the general partner of the Partnership or any Person appointed as such pursuant to Section 12.02(a), in each case, for so long as such Person continues to be the general partner of the Partnership.

"Good Reason" means the assignment to Diller of any duties inconsistent in any respect with his position as Chairman and chief executive officer of the Partnership, authority, duties or responsibilities (including status, offices, title and direct reporting relationship to the chief executive officer of Vivendi), or any diminution in such positions (or removal from such positions), authority, duties or responsibilities or requiring him to be based at any location other than his current locations; it being understood that the chief executive officer of the Partnership shall have the same authority and duties as a corresponding officer of a Delaware corporation would have to act for a Delaware corporation.

"Indebtedness" of any Person means, without duplication, (i) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (ii) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (iii) all obligations of such Person upon which interest charges are customarily paid, (iv) all obligations of such Person in respect of the deferred purchase price of property or services (excluding current accounts payable incurred in the ordinary course of business), and (v) all capital lease obligations of such Person; provided that the Indebtedness of any Persons shall include (A) the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor, (B) 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 Indebtedness secured thereby has been assumed and (C) all guarantees by such Person of Indebtedness of others; and provided, further, that Indebtedness shall not include any Permitted Liens.

"Initial Limited Partner" is defined in the Preamble.

"Interests" means the entire partnership interest of a Partner in the Partnership, including its Common Interests and its Preferred Interests.

"Investment Bank" means an independent, nationally recognized investment bank.

"Liberty" means Liberty Media Corporation, a Delaware corporation.

"Lien" means any pledge, encumbrance, security interest, purchase option, call or similar right.

"Limited Partner" means USAi, USANi Sub, New-U Studios, Diller, USANI XX, UPI Holdings, UPI Holdings 2, NYCSpirit and any Additional Partner or Substitute Partner that is admitted as a limited partner of the Partnership, in each case for so long as such Person continues to be a limited partner of the Partnership.

"Market Value" of a stock means the amount equal to the average of the daily volume weighted averages of such stock on the primary exchange on which it trades, as reported by Bloomberg, for the 15 consecutive trading days ending on the day immediately preceding the date of determination. For the avoidance of doubt, the Market Value of USAi Common Shares shall be determined based on the price of USAi Common Stock.

"Maturity Date" is defined in Section 8.06.

"Net Income" or "Net Losses", as appropriate, means, for any period, the taxable income or tax loss of the Partnership for such period for Federal income tax purposes, taking into account any separately stated tax items and increased by the amount of any tax-exempt income of the Partnership during such period and decreased by the amount of any Section 705(a)(2)(B) expenditures (within the meaning of Treasury Regulation Section 1.704-1(b)(2)(iv)(i)) of the Partnership; provided, however, that Net Income or Net Losses of the Partnership shall be computed without regard to the amount of any items of gross income, gain, loss or deduction that are specially allocated pursuant to Section 7.02(c), (d) or (e). With respect to any property contributed to the Partnership at a time when its adjusted tax basis differs from its fair market value, and with respect to all Partnership property after any adjustment to the Capital Accounts pursuant to Section 7.01(c), the Net Income or Net Losses of the Partnership (and the constituent items of income, gain, loss and deduction) shall be computed in accordance with the principles of Treasury Regulation Section 1.704-1(b)(2)(iv)(g).

"New-U Studios" is defined in the Preamble.

"Non-U.S. Participation Percentage" is defined in Section 6.01(a).

"Non-U.S. Source Items" means, for any period, each item of gross income, gain, loss or deduction of the Partnership attributable to the Non-U.S. Subsidiaries.

"Non-U.S. Subsidiaries" means any subsidiaries of the Partnership organized outside of the United States.

"NYCSpirit" is defined in the Preamble.

"Original Partnership Agreement" is defined in the Preamble.

"Participation Percentage" is defined in Section 6.01(a).

"Partner" means the General Partner or a Limited Partner.

"Partnership" is defined in the Preamble.

"Partnership Debt" means the debt incurred by the Partnership to fund the distribution under Section 8.05, pursuant to Section 2.04(ii) of the Transaction Agreement.

"Permitted Liens" means, collectively, (i) all statutory or other liens for taxes or assessments which are not yet due or the validity of which is being contested in good faith by appropriate proceedings, (ii) all mechanics', materialmen's, carriers', workers' and repairers'

liens, and other similar liens imposed by law, incurred in the ordinary course of business, which allege unpaid amounts that are less than 30 days delinquent or which are being contested in good faith by appropriate proceedings, and (iii) all other Liens which do not materially detract from or materially interfere with the marketability, value or present use of the asset subject thereto or affected thereby.

"Person" means any individual, firm, corporation, partnership, limited liability company, trust, joint venture, governmental authority or other entity.

"Preferred Interests" means the Class A Preferred Interests and the Class B Preferred Interests, collectively.

"Purchasing Party" means the party purchasing Common Interests pursuant to the exercise of a Put or a Call.

"Put" means the USAi Put or the Diller Put.

"Representative" is defined in Section 9.02(b).

"Restricted Business" has the same meaning as the term "Business" in the Transaction Agreement.

"Sale Transaction" means any merger, consolidation, tender or exchange offer, reclassification, compulsory share exchange, liquidation or similar transaction, in which all or substantially all of the assets or the outstanding equity securities of the ultimate parent of a Partner are transferred, converted into or exchanged for stock, other securities, cash or assets of another entity.

"Section 704(c) Property" means "Section 704(c) property" as defined in Treasury Regulation Section 1.704-3(a)(3) and property that is revalued pursuant to Section 7.01(c) hereof.

"Securities Act" means the Securities Act of 1933, as amended.

"Selected Appraisal" is defined in Section 10.03(d).

"Selling Party" means the party selling Common Interests pursuant to the exercise of a Put or a Call.

"Substitute Partner" means any Person admitted as a Partner of the Partnership pursuant to Section 3.03 in connection with the Transfer of a then-existing Interest of a Partner to such Person.

"SUB I-USA" is defined in the Preamble.

"Tag-Along Interests" is defined in Section 10.04(a).

"Tag-Along Notice" is defined in Section 10.04(a).



"Tag-Along Offeree" is defined in Section 10.04(a).

"Tax Detriment" means, with respect to any taxes incurred as a result of the recognition of income or gain by an indemnified party in taxable period(s) earlier than the taxable period(s) in which such income or gain would otherwise have been recognized by such party solely as a result of an action or inaction by an indemnifying party, the excess, if any, of (i) the net present value of such taxes incurred by the indemnified party in such earlier taxable period(s) over (ii) the net present value of the taxes that would otherwise have been incurred in such later taxable period, assuming (i) a discount rate equal to USAi's borrowing rate in effect as of the time such net present values are calculated and (ii) that for all taxable years, the indemnified party is fully taxable at the highest applicable marginal Federal income tax rate and the highest applicable marginal income and franchise tax rates of the state, local and foreign jurisdictions in which the Partnership or any of its subsidiaries conducts business (assuming full deductibility of state and local taxes, and full creditability and deductibility of foreign taxes, for Federal (and if applicable state and local) income tax purposes).

"Tax Matters Partner" is defined in Section 7.08.

"Transaction Agreement" is defined in the Preamble.

"Transfer" means any sale, assignment, transfer, exchange, gift, bequest, pledge, hypothecation, distribution, spin-off, split-off, disposition, encumbrance or other cessation of interest, direct or indirect, in whole or in part, by operation of law or otherwise, and shall include all matters deemed to constitute a Transfer under Section 10.01(a); provided, however, that a Transfer shall not include a Sale Transaction. The terms "Transferred", "Transferring", "Transferor" and "Transferee" have meanings correlative to the foregoing.

"Universal" is defined in the Preamble.

"Universal Limited Partners" means USANI XX, UPI Holdings, UPI Holdings 2, NYCspirit and their permitted transferees, in each case for so long as such Person continues to be a limited partner of the Partnership.

"Universal Partners" initially means the Universal Limited Partners and the General Partner.

"Universal Sub" is defined in the Preamble.

"UPI Holdings" is defined in the Preamble.

"UPI Holdings 2" is defined in the Preamble.

"U.S. Participation Percentage" is defined in Section 6.01(a).

"U.S. Source Items" means, for any period, each item of gross income, gain, loss or deduction of the Partnership other than Non-U.S. Source Items.

"USAi" is defined in the Preamble.

"USAi Call" is defined in Section 10.03(a).

"USAi Class B Common Stock" means shares of Class B common stock of USAi, par value \$.01 per share.

"USAi Common Shares" means shares of USAi Common Stock and USAi Class B Common Stock, collectively.

"USAi Common Stock" means shares of common stock of USAi, par value \$.01 per share.

"USAi Limited Partners" means USAi, USANi Sub, New-U Studios, Diller and their permitted transferees, in each case for so long as such Person continues to be a limited partner of the Partnership.

"USAi Preferred Call" is defined in Section 8.07.

"USAi Preferred Put" is defined in Section 8.07.

"USAi Put" is defined in Section 10.03(a).

"USANi Sub" is defined in the Preamble.

"USANI XX" is defined in the Preamble.

"USI-USA" is defined in the Preamble.

"USIE-USA" is defined in the Preamble.

"V-USA" is defined in the Preamble.

"Vivendi" is defined in the Preamble.

"Vivendi Ordinary Shares" means ordinary shares of Vivendi, par value(U) 5.5 per share, or, in the event that all or substantially all of the shares of Vivendi are exchanged for or converted into equity securities of another Person after the Effective Time, such other equity securities as such shares may be exchanged for or converted into after the Effective Time, so long as such equity securities are listed or quoted on the New York Stock Exchange, the Nasdaq Stock Market, the London Stock Exchange, the Paris Bourse or the Frankfurt Stock Exchange and the average monthly trading volume of such equity securities on any such exchange immediately after such share exchange or conversion (and after giving effect to all of the transactions contemplated in connection with such exchange or conversion) is substantially equivalent to or greater than that of the Vivendi Ordinary Shares on its primary exchange immediately prior to such share exchange or conversion.

SECTION 1.02 Terms and Usage Generally. (a) 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. All references herein to Articles, Sections, Annexes, Exhibits and Schedules shall be deemed to be references to Articles and Sections of, and Annexes, Exhibits and Schedules to, this Agreement unless the context shall otherwise require. All Annexes, Exhibits and Schedules attached hereto shall be deemed incorporated herein as if set forth in full herein. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. References to a Person are also to its permitted successors and permitted assigns. Unless otherwise expressly provided herein, any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and references to all attachments thereto and instruments incorporated therein.

(b) As used in this Agreement, unless otherwise expressly specified herein, any allocation or distribution to be made among Interests or Partners "on a pro rata basis" or "ratably" shall be made in proportion to the relative Participation Percentages or Face Values of, or Capital Contributions attributable to, such Interests, or of such Interests owned by such Partners, in each case determined immediately prior to the transaction with respect to which such allocation is being made.

## ARTICLE II

### The Partnership -----

SECTION 2.01 Effectiveness of this Agreement. This Agreement constitutes the partnership agreement (as defined in the Delaware Act) of the parties hereto. This Agreement shall become effective at the Effective Time.

SECTION 2.02 Continuation. The parties hereto agree to continue the Partnership as a limited partnership qualified as a limited liability limited partnership under and pursuant to Section 17-214 of the Delaware Act and Section 15-1001 of the Delaware Revised Uniform Partnership Act (6 Del. C. ss.ss. 15-101 et seq.), as amended from time to time or any successor statute ("DRUPA"). The General Partner shall, on request, provide any Partner with copies of each document filed with the Secretary of State of the State of Delaware.

SECTION 2.03 Name. The name of the Partnership is Vivendi Universal Entertainment LLLP. The General Partner may change the name of the Partnership or adopt such trade or fictitious names as it may determine, in each case consistent with the requirements of the Delaware Act, including Sections 17-102 and 17-214 thereof, and all other applicable law (e.g., fictitious name statutes). The General Partner will give all Partners prompt written notice of any such name change (or adoption of any such trade or fictitious name).

SECTION 2.04 Term. The term of the Partnership began on the date the certificate of limited partnership of the Partnership became effective, and the Partnership shall have perpetual existence unless sooner dissolved as provided in Article XIII.

SECTION 2.05 Registered Agent and Registered Office. The name of the registered agent for service of process is The Corporation Trust Company, and the address of the registered agent and the address of the registered office in the State of Delaware is 1209 Orange Street, Wilmington, Delaware 19801. Such office and such agent may be changed from time to time by the General Partner consistent with the requirements of the Delaware Act, including Sections 17-104 and 17-202 thereof.

SECTION 2.06 Purposes. The Partnership was formed for the object and purpose of, and the nature of the business to be conducted and promoted by the Partnership is, engaging in the filmed entertainment, television, recreation, programming, distribution and cable businesses and any other lawful act or activity that the General Partner may from time to time determine for which limited partnerships may be formed under the Delaware Act, including engaging in the Business, and engaging in any and all activities necessary or incidental to the foregoing.

SECTION 2.07 Treatment as Partnership. Except as otherwise required pursuant to a determination within the meaning of Section 1313(a)(1) of the Code, the parties shall treat the Partnership as a partnership for United States federal income tax purposes and agree not to take any action or fail to take any action which action or inaction would be inconsistent with such treatment.

### ARTICLE III

#### Capital Contributions; Partners -----

SECTION 3.01 Initial Capital Contributions. (a) On the Closing Date, USAi, USANi Sub, New-U Studios, Universal Sub, USANI XX, UPI Holdings, UPI Holdings 2 and NYCSpirit shall make their respective initial Capital Contributions, in property, in accordance with Section 2.03 of the Transaction Agreement.

(b) In return for such initial Capital Contributions, Common Interests and/or Preferred Interests shall be issued to the Partners as provided in Articles V and VI hereof. Schedule B indicates the amount of Capital Contributions attributable to Common Interests and Preferred Interests, respectively, for each Partner.

(c) The parties shall treat the Capital Contributions described in this Section 3.01 as contributions pursuant to Section 721 of the Code in which no gain or loss is recognized to any extent, except as otherwise required pursuant to a determination within the meaning of Section 1313(a)(1) of the Code.

SECTION 3.02 Admission of Partners. At the Effective Time, without the need for any further action of any Person, (i) Universal Sub shall continue to be a general partner of the Partnership, and (ii) the other Persons set forth on Schedule A attached hereto who have executed this Agreement shall be admitted as Partners, and each such Person shall be shown as such in the books and records of the Partnership. Following the Effective Time, no Person shall be admitted as a Partner and no additional Common Interests or Preferred Interests shall be issued except as expressly provided herein.

SECTION 3.03 Substitute Partners and Additional Partners. (a)

No Transferee of an Interest or Person to whom an Interest is issued after the Effective Time pursuant to this Agreement shall be admitted as a Partner hereunder or acquire any rights hereunder, including any voting rights or the right to receive distributions and allocations in respect of the Transferred or issued Interest, as applicable, unless (i) such Interest is Transferred or issued in compliance with the provisions of this Agreement and (ii) such Transferee or recipient shall have executed and delivered to the Partnership such customary instruments as the General Partner may reasonably require, to effectuate the admission of such Transferee or recipient as a Partner and to confirm the agreement of such Transferee or recipient to be bound by all the terms and provisions of this Agreement (including Section 10.03). Upon complying with clauses (i) and (ii) above, without the need for any further action of any Person, a Transferee or recipient shall be deemed admitted to the Partnership as a Partner. A Substitute Partner shall enjoy the same rights, and be subject to the same obligations, as the Transferor; provided that, unless expressly provided otherwise herein, such Transferor shall not be relieved of any obligation or liability hereunder arising prior to the consummation of such Transfer. As promptly as practicable after the admission of any Person as a Partner, the books and records of the Partnership shall be changed to reflect such admission. In the event of any admission of a Substitute Partner or Additional Partner pursuant to this Section 3.03(a), this Agreement shall be deemed amended to reflect such admission, and any formal amendment of this Agreement (including Schedules A and B hereto) in connection therewith shall only require execution by the General Partner and such Substitute Partner or Additional Partner, as applicable, to be effective.

(b) If a Partner shall Transfer all (but not less than all) its Interests, the Partner shall thereupon cease to be a Partner of the Partnership; provided, however, that any such Partner shall not cease to be a Partner until a Transferee of such Partner's Interests is admitted to the Partnership as a Substitute Partner pursuant to Section 3.03(a).

SECTION 3.04 Withdrawal of Initial Limited Partner.

Immediately upon the admission of at least one additional Limited Partner as a limited partner of the Partnership, the Initial Limited Partner shall be deemed to have withdrawn from the Partnership as a limited partner of the Partnership, and, upon such withdrawal, the Initial Limited Partner shall have no further interest in the Partnership.

ARTICLE IV

Reports

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SECTION 4.01 Reports to Partners. (a) Within 30 days after the

end of each of the first three fiscal quarters of a Fiscal Year, the Partnership shall deliver to each Partner (i) unaudited consolidated balance sheets of the Partnership and its consolidated subsidiaries as at the end of such quarter and the related consolidated statements of income, statements of cash flow and changes in financial position of the Partnership for the period from the beginning of such quarter to the end of such quarter, prepared on a basis consistent with the audited financial statements of the Partnership and its consolidated subsidiaries, subject to changes resulting from audit and normal year-end adjustments and (ii) a certificate executed by the chief financial officer and Tax Matters Partner of the Partnership certifying compliance by the Partnership with the provisions set forth in Section 5.05.

(b) Within 80 days after the end of each Fiscal Year, the Partnership shall deliver to each Partner audited consolidated balance sheets of the Partnership and its consolidated subsidiaries as at the end of such Fiscal Year and the related consolidated statements of income, statements of cash flow and changes in financial position of the Partnership for such Fiscal Year, all in reasonable detail and accompanied by a report thereon of the Partnership's independent auditors as to such consolidated financial statements presenting fairly the financial position of the Partnership and its consolidated subsidiaries as at the dates indicated, and as to such audit having been made in accordance with generally accepted auditing standards. Concurrently with the delivery of such annual financial statements, the General Partner shall deliver (i) a statement to each Partner of the balance of each Partner's Capital Account and (ii) a certificate executed by the chief financial officer and Tax Matters Partner of the Partnership certifying compliance by the Partnership with the provisions set forth in Section 5.05.

SECTION 4.02 Tax Information. The General Partner shall timely cause to be prepared, at the expense of the Partnership, all Federal, state, local and foreign tax returns (including information returns) of the Partnership and its subsidiaries, which may be required by a jurisdiction in which the Partnership or its subsidiaries operate or conduct business for each year or period for which such returns are required to be filed, and the General Partner shall cause such returns to be timely filed. As soon as practicable after the end of each Fiscal Year, the General Partner shall furnish to each Partner (and each Person to whom Diller has assigned a beneficial interest pursuant to Section 2.07 of the Transaction Agreement) an Internal Revenue Service Schedule K-1 and such other information in the possession of the General Partner as is reasonably requested by such Partner to file any required Federal, state, local and foreign tax returns.

SECTION 4.03 Other Information. The Partnership shall make available, on a reasonable basis, the chief financial officer of the Partnership and other officers of the Partnership, as appropriate, to respond to questions of the Limited Partners relating to the financial condition of the Partnership.

#### ARTICLE V

##### Preferred Interests

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SECTION 5.01 General. As of the Effective Time, USANi Sub shall receive the following Preferred Interests:

(a) a preferred partnership interest in the Partnership with an initial Face Value of \$750,000,000, having special rights as set forth in this Article V and a preference with respect to distributions (as set forth in Section 8.06) and liquidation (as set forth in Section 13.02) (the "Class A Preferred Interests"), and

(b) a perpetual (subject to Section 8.07) preferred partnership interest in the Partnership with an initial Face Value of \$1,750,000,000, having special rights as set forth in this Article V and a preference with respect to distributions (as set forth in Sec-

tion 8.01(a)) and liquidation (as set forth in Section 13.02) (the "Class B Preferred Interests").

SECTION 5.02 Ranking. (a) Except as otherwise provided herein, with respect to periodic distribution rights and rights upon liquidation, dissolution or winding up, the Preferred Interests shall rank (i) junior to the Partnership Debt and any other of the Partnership's future indebtedness and other obligations not incurred in violation of this Agreement, (ii) on parity with one another and (iii) senior to the Common Interests.

(b) Other than the Class A Preferred Interests and the Class B Preferred Interests issued pursuant to this Agreement on the Effective Date, no Class A Preferred Interests or Class B Preferred Interests shall be issued.

(c) Subject to Section 5.05(a)(i), the Preferred Interests shall be the most senior preferred equity interests in the Partnership. The Preferred Interests shall have no Participation Percentage, and shall not be entitled to participate in distributions made pursuant to Section 8.01(b).

SECTION 5.03 PIK Accretion. (a) The Face Value of the Class A Preferred Interests shall accrete at a rate of 5.0% per annum and (b) the Face Value of the Class B Preferred Interests shall accrete at a rate of 1.4% per annum, in each case beginning on the Closing Date, and the Face Value of each such Preferred Interest shall increase accordingly on the last day of each calendar quarter.

SECTION 5.04 Consent Right. The consent of the Partners who hold the majority of the aggregate amount of a class of Preferred Interests, determined based on the Face Value thereof, voting as a separate class, shall be required for any amendment, alteration or repeal of the provisions of this Agreement (including by merger, consolidation or otherwise) that would have an adverse effect on the rights of such class or that would be materially adverse to the rights of such Partners under this Agreement.

SECTION 5.05 Negative Covenants. (a) For so long as the Class A Preferred Interests are outstanding, the Partnership shall not, and shall not permit any subsidiary of the Partnership, without the prior consent of the Partners holding the Class A Preferred Interests to:

(i) issue any equity interests in the Partnership that rank senior to, or pari passu with, the Preferred Interests, or issue any security that is exchangeable for or convertible into any such equity interest;

(ii) issue any other preferred equity interests in the Partnership redeemable or exchangeable for or convertible into any equity security of the Partnership or any subsidiary thereof (other than Common Interests), or issue any security that is exchangeable for or convertible into cash, cash equivalents or any such preferred equity interest described in this clause (ii);

(iii) Transfer any assets other than in the ordinary course of business of the Partnership unless, (x) at least 50% of the net proceeds of such sale, transfer or

disposition are retained or otherwise redeployed by the Partnership or its subsidiaries and (y) at the time of such Transfer the Partnership has a Consolidated Tangible Net Worth of at least \$4,000,000,000;

(iv) create, incur, assume, guarantee or permit to exist any Indebtedness other than (A) the Partnership Debt, and any extension, renewal, refinancing or replacement of all or any part of the Partnership Debt (whether or not incurred in accordance with Section 5.05(b)(iii)) that does not increase the outstanding principal amount thereof and (B) Indebtedness in an aggregate outstanding principal amount not to exceed \$800,000,000 at any time;

(v) merge with or into or consolidate with (in each case within the meaning of Treasury Regulation Section 1.708-1(c)), or convert into or otherwise become, by any statutory mechanism, any other Person (other than a wholly owned subsidiary of the Partnership), if immediately after giving effect to such merger, consolidation or conversion, the Partnership would be in violation of clause (i) or, unless such covenants shall be inapplicable as provided below, clause (ii), (iii) or (iv) above, or any other provision of this Agreement relating to the Class A Preferred Interests;

(vi) liquidate, dissolve or wind up the Partnership; or

(vii) become an "investment company" as defined in the Investment Company Act of 1940, as amended.

The covenants set forth in this Section 5.05(a), other than those set forth in clause (i), (v), (vi) and (vii) shall not be applicable at a particular time, if at such time the Partnership shall have posted an irrevocable letter of credit in a form that is reasonably acceptable to the Partner holding the Class A Preferred Interests in favor of such Partner (1) in an amount equal to the expected Face Value of the Class A Preferred Interests at maturity and (2) with an expiration date falling no earlier than the maturity date of the Class A Preferred Interests.

(b) Unless Vivendi shall have made the election described in Section 7.02(b)(ii) of the Transaction Agreement, for a period of 15 years following the Effective Time, or if a shorter period is set forth in this Section 5.05(b), then for such shorter period, without the consent of USAi, the Partnership shall not:

(i) sell or otherwise dispose of all or any part of the assets set forth on Schedule 5.05(b) other than in the ordinary course of business and other than sales or other dispositions of assets the fair market values of which, as of the Effective Time, do not, individually or in the aggregate, exceed \$5,000,000;

(ii) notwithstanding anything in Sections 8.04 and 13.03 to the contrary, for a period of seven years following the Effective Time, distribute any assets in kind to USAi or USANi Sub, or distribute any of the assets set forth on Schedule 5.05(b);

(iii) pay (whether voluntarily or involuntarily) all or any part of the principal amount of the Partnership Debt; provided, however, that from time to time the Partnership may discharge all, or any part of, the Partnership Debt using the proceeds of



third party debt (on terms reasonably satisfactory to USAi, and so long as no more than three such third party debts may be in existence at any time) (each, a "Refinancing Debt") if the proceeds of such Refinancing Debt are allocable under the rules of Treasury Regulation Section 1.163-8T (or any successor section) to the payment discharging the Partnership Debt, and from and after the date of such discharge references to the Partnership Debt in this Agreement (other than in Section 5.05(a)(iv)) shall, to the extent that the Partnership Debt is discharged with the proceeds of a Refinancing Debt, be deemed to include such Refinancing Debt; provided, further, however, that beginning 2 years after the Effective Time, the Partnership may, from time to time, pay a part of the principal amount of the Partnership Debt; provided that no such payment shall be permitted to the extent such payment would exceed USANi Sub's tax basis in its interest in the Partnership; and, provided, further, that, notwithstanding the foregoing, any payment of the principal amount of the Partnership Debt or any acceleration of payment thereof shall be preceded by written notice by the Partnership to USAi of such payment or acceleration, which notice shall indicate the amount and anticipated date of such payment or acceleration and the event giving rise to such payment or acceleration;

(iv) for a period of two years following the Effective Time, make any distributions to USAi or USANi Sub other than distributions permitted under Section 8.01(a) or Section 8.02 or which constitute operating cash flow distributions within the meaning of Treasury Regulation Section 1.707-4(b) (unless the facts and circumstances would clearly establish that any such distribution is part of a sale);

(v) change the organizational structure with respect to any Person set forth on Schedule 5.05(b), including, for the avoidance of doubt, taking any action or failing to take any action which action or inaction would cause USA Cable or Studios USA (each as defined in the Transaction Agreement) to be treated as other than a partnership for U.S. federal income tax purposes;

(vi) cause or permit any Partner or any Person related to a Partner (within the meaning of Treasury Regulation Section 1.752-4(b)) to bear the "economic risk of loss" (within the meaning of Treasury Regulation Section 1.752-2(b)) with respect to the Partnership Debt; or

(vii) take any action, or fail to take any action, which action or inaction would cause the Partnership to cease to be qualified as a limited liability limited partnership under and pursuant to the Delaware Act and DRUPA (including any failure to make the annual filings provided under Section 17-214(a)(1) of the Delaware Act and Section 15-1003 of DRUPA).

Nothing in this Section 5.05 shall prohibit the pledge of interests in subsidiaries of the Partnership by the Partnership or by any subsidiary of the Partnership that is properly treated as an entity disregarded from the Partnership for U.S. Federal income tax purposes if such pledge is required by the terms of the Partnership Debt.

SECTION 5.06 No Other Consent Rights. Except as provided in Sections 5.04 and 5.05, holders of Preferred Interests shall have no voting, approval or consent rights, including with respect to any merger, conversion or consolidation of the Partnership.

ARTICLE VI

Common Interests  
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SECTION 6.01 General. (a) As of the Effective Time, the participation percentage (the "Participation Percentage") of each Partner's Common Interest and the non-U.S. participation percentage (the "Non-U.S. Participation Percentage") and the U.S. participation percentage (the "U.S. Participation Percentage") of each Universal Partner's Common Interest shall be as set forth below:

Partner -----	Participation Percentage -----	U.S. Participation Percentage -----	Non-U.S. Participation Percentage -----
Universal Sub	74.77%	86.16%	53.36%
USANI XX	5.46%	7.14%	--
UPI Holdings	6.52%	--	39.46%
UPI Holdings 2	1.18%	--	7.18%
NYCSpirit	5.13%	6.70%	--
USAi	0.54%	--	--
USANi Sub	4.59%	--	--
New-U Studios	0.31%	--	--
Diller	1.50%	--	--

(b) Such initial Participation Percentages, Non-U.S. Participation Percentages and U.S. Participation Percentages, as applicable, shall be subject to adjustment as provided in this Article VI. The aggregate outstanding Participation Percentages, the aggregate outstanding Non-U.S. Participation Percentages and the aggregate outstanding U.S. Participation Percentages, respectively, at all times shall equal 100%, and Participation Percentages, Non-U.S. Participation Percentages and U.S. Participation Percentages, as applicable, shall be adjusted from time to time, pro rata, as necessary to maintain the foregoing.

SECTION 6.02 Issuances of Common Interests After the Closing Date. (a) After the Closing Date the Partnership, at the discretion of the Board (or, if no Board shall then be constituted, the General Partner), may issue additional Common Interests in return for additional Capital Contributions.

(b) In connection with the issuance of a Common Interest after the Closing Date, the Board shall designate the Participation Percentage and, if applicable, the Non-U.S. Participation Percentage and the U.S. Participation Percentage associated with such issuance and any other material terms thereof. Upon such issuance, the Participation Percentages and, if applicable, the Non-U.S. Participation Percentages and the U.S. Participation Percentages, respectively, of all Common Interests outstanding immediately before such issuance shall be

reduced in the aggregate by an amount equal to the Participation Percentage and, if applicable, the Non-U.S. Participation Percentage and the U.S. Participation Percentage, respectively, so designated, in proportion to their relative Participation Percentages and, if applicable, their relative Non-U.S. Participation Percentages and their relative U.S. Participation Percentages, respectively, immediately before such issuance.

SECTION 6.03 Preemptive Rights. (a) For so long as USAi and its Affiliates shall have an aggregate Participation Percentage of greater than 1% (or at least 1% in the event that USAi and its Affiliates shall have an aggregate Participation Percentage of no less than 1% due to any reason other than a failure by USAi to exercise its right under this Section 6.03), in connection with any issuance of additional Common Interests by the Partnership to Universal Sub or an Affiliate thereof under Section 6.02(a) prior to the exercise of an USAi Put or an USAi Call, USAi (or USANi Sub) shall have the right to purchase, at the same time, on the same terms and at the same purchase price per Participation Percentage point (or in the event Common Interests are being issued in exchange for property, an amount of cash equal to the fair market value of the property being contributed), an amount of Common Interests (x) equal to a portion of the Common Interests being issued by the Partnership that is in proportion to the relative Participation Percentages of USAi and its Affiliates and Universal Sub and its Affiliates, in each case immediately prior to the issuance giving rise to USAi's rights under this Section 6.03, or (y) such that, after giving effect to such issuance, USAi and its Affiliates would have an aggregate Participation Percentage equal to 1%.

(b) In connection with any issuance of additional Common Interests by the Partnership to Universal Sub or an Affiliate thereof under Section 6.02(a) after the exercise of an USAi Put or an USAi Call, if USAi and its Affiliates shall have an aggregate Participation Percentage of at least 1%, USAi (or USANi Sub) shall have the right to purchase, at the same time, on the same terms of such issuance and at the same price per Participation Percentage point (or in the event Common Interests are being issued in exchange for property, an amount of cash equal to the fair market value of the property being contributed), an amount of Common Interests such that, after giving effect to such issuance, USAi and its Affiliates would have an aggregate Participation Percentage equal to 1%.

(c) The Partnership shall deliver written notice to USAi of any proposed issuance of Common Interests by the Partnership to Universal Sub and its Affiliates, including the applicable purchase price, the amount offered, the proposed closing date, the place and time for the issuance thereof (which shall be no less than 20 days from the date of such notice) and any other material terms and conditions of the issuance. Within 15 days from the date of receipt of such notice, USAi shall deliver written notice to the Partnership if it intends to exercise its right under Section 6.03(a) or (b). Upon exercising such right, USAi shall be entitled and obligated to purchase the amount of Common Interests determined in accordance with Section 6.03(a) on the terms and conditions of such issuance, and Universal Sub shall be entitled and obligated to purchase (or cause its Affiliates to purchase) the remaining amount of Common Interests in such issuance. Thereafter, the Participation Percentages of all the Partners and the Non-U.S. Participation Percentages and U.S. Participation Percentages of the Universal Partners shall be adjusted in accordance with Section 6.02(b).

SECTION 6.04 Other Issuances of Common Interests. (a) For so long as USAi and its Affiliates shall have an aggregate Participation Percentage of at least 1%, in the event that any issuance under Section 6.02(a) to a Person other than Universal Sub or an Affiliate thereof would result in USAi and its Affiliates having an aggregate Participation Percentage of less than 1%, USAi (or USANi Sub) shall have the right to purchase, on the same terms of such issuance and at the same price per Participation Percentage point (or in the event Common Interests are being issued in exchange for property, an amount of cash equal to the fair market value of the property being contributed), an amount of Common Interests such that, after giving effect to such issuance to such Person and to USAi, USAi and its Affiliates would have an aggregate Participation Percentage equal to 1%.

(b) The Partnership shall deliver written notice to USAi of such proposed issuance, including the applicable purchase price, the amount offered, the proposed closing date, the place and time for the issuance thereof (which shall be no less than 20 days from the date of such notice) and any other material terms and conditions of the issuance. Within 15 days from the date of receipt of such notice, USAi shall deliver written notice to the Partnership if it intends to exercise its right under Section 6.04(a). Upon exercising such right, USAi shall be entitled and obligated to purchase the amount of Common Interests determined in accordance with Section 6.04(a) on the terms and conditions of such issuance and the third party shall be entitled and obligated to purchase the remaining amount of Common Interests in such issuance. Thereafter, the Participation Percentages of all the Partners and the Non-U.S. Participation Percentages and U.S. Participation Percentages of the Universal Partners shall be adjusted in accordance with Section 6.02(b).

SECTION 6.05 Contribution of Assets or Capital Stock by Universal Sub. In connection with an acquisition by Universal Sub or an Affiliate thereof of equity securities or assets of one or more third parties engaged in the Business or any related business in which Universal Sub or its Affiliate issued shares of capital stock or paid cash or other consideration to such third party, Universal Sub or its Affiliate may, in its sole discretion and upon the approval of the Board (or, if no Board shall then be constituted, the General Partner), either (i) contribute such acquired equity securities or assets to the Partnership in return for cash or, to the extent permitted under Section 5.05, a promissory note with a principal amount equal to the aggregate value (determined as set forth below) of the consideration paid by Universal Sub or its Affiliate for such equity securities or assets or (ii) contribute such acquired equity securities or assets to the Partnership in return for Common Interests in the Partnership in accordance with Section 6.02(a), subject to the provisions of Section 6.03. The "purchase price" for any such Common Interests shall be deemed to be (i) in the case of a contribution of equity securities or assets to the Partnership on or prior to the first anniversary of the acquisition by Universal Sub or an Affiliate of such equity securities or assets, the value of the consideration paid by Universal Sub or its Affiliate for such equity securities or assets, which consideration shall be valued at the same time it was valued under the terms of the agreement with the applicable third party, and (ii) in the case of a contribution of equity securities or assets to the Partnership following the first anniversary of the acquisition by Universal Sub or an Affiliate of such equity securities or assets, the fair market value of such contributed equity securities or assets.

SECTION 6.06 Consent Right. Except for the General Partner, no holder of Common Interests shall have any voting, approval or consent rights, including with respect to

any merger, conversion or consolidation of the Partnership; provided, however, that (i) at all times a USAi Limited Partner holding Common Interests shall have the right to consent to any amendment, alteration or repeal of this Agreement that would have an adverse effect on the rights of such USAi Limited Partner hereunder and (ii) for so long as an USAi Put or an USAi Call has not been exercised and USAi has not exercised its rights under Section 6.03(a)(y), the consent of USAi shall be required prior to: (x) the entering into, terminating, modifying or extending of any agreement, transaction or relationship between the Partnership and any Affiliate of Vivendi that is not on an arm's-length basis, and (y) the making of distributions in respect of, redeeming, repurchasing or otherwise acquiring any Common Interests of Universal Sub or any of its Affiliates, other than pro rata distributions, redemptions, repurchases and acquisitions.

SECTION 6.07 Assignees of Diller Common Interests. Any holder of a beneficial interest in Common Interests that shall have received such interest as an assignee of Diller pursuant to Section 2.07 of the Transaction Agreement hereby irrevocably appoints Diller (or his executor, administrator or trustee, as the case may be) as its or his designated representative for all purposes under this Agreement and agrees (except to the extent otherwise provided in Section 4.02) that (a) any action taken or waived by, or binding upon, Diller (or his executor, administrator or trustee, as the case may be) with respect to Diller's Common Interests (including the provisions set forth in Section 10.03) shall be deemed taken or waived by, and binding upon, such assignee with respect to such assignee's beneficial interest in Diller's Common Interests, (b) such assignee shall have no right to deal directly with the Partnership or its Partners and the Partnership and its Partners shall deal solely with Diller in respect of all matters relating to such assignee's interest in the Partnership, as if such assignment had never occurred, including in respect of the provision of information, the giving of notices and the payment of money, (c) such assignee shall have no right to attend Partnership meetings, (d) all rights of a holder of Common Interests under this Agreement or otherwise in connection with the Partnership shall be exercisable only by Diller (or his executor, administrator or trustee, as the case may be) and (e) such assignee shall in all respects be subject to the same terms under this Agreement (other than Section 9.04) as Diller is subject to hereunder. The General Partner shall treat any holder of a beneficial interest in Common Interests who received such interest as an assignee of Diller pursuant to Section 2.07 of the Transaction Agreement as a Partner in the Partnership for income tax purposes with an interest in the Partnership corresponding to such beneficial interest.

#### ARTICLE VII

##### Capital Accounts, Allocations of Profit and Loss and Tax Matters

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SECTION 7.01 Capital Accounts. (a) The Partnership shall establish a separate capital account (a "Capital Account") in respect of each Common Interest and Preferred Interest held by each Partner on the books of the Partnership. The Capital Account of a Partner shall be increased by (i) the amount of money contributed by that Partner to the Partnership, (ii) the fair market value of property contributed by that Partner to the Partnership (net of liabilities related to such contributed property that the Partnership is considered to assume or take subject to under Section 752 of the Code) and (iii) allocations to that Partner pursuant to Section 7.02 of profit, income and gain (or items thereof). The Capital Account of a Partner

shall be decreased by (i) the amount of money distributed to that Partner by the Partnership, (ii) the fair market value of property distributed to that Partner by the Partnership (net of liabilities related to such distributed property that such Partner is considered to assume or take subject to under Section 752 of the Code) and (iii) allocations to that Partner pursuant to Section 7.02 of loss, expense and deduction (or items thereof).

(b) In the event that a Partner Transfers its Interest in accordance with the provisions of this Agreement, the Transferee of such Interest shall succeed to the Capital Account of the Transferor attributable to such Interest.

(c) Upon the occurrence of any event specified in Treasury Regulation Section 1.704-1(b)(2)(iv)(f), the Capital Accounts of the Partners shall be adjusted to reflect the fair market value of the Partnership's property at such time and in such manner as provided in such Regulation.

(d) No Partner shall be entitled to withdraw capital or receive distributions except as specifically provided herein. No Partner shall have any obligation to the Partnership, to any other Partner or to any creditor of the Partnership to restore any negative balance in the Capital Account of such Partner.

(e) The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with the Treasury Regulations promulgated under Section 704(b) of the Code and shall be interpreted and applied in a manner consistent with such Treasury Regulations.

SECTION 7.02 Allocations of Net Income and Net Loss. (a) General. (i) Except as otherwise provided in this Section 7.02, Net Income shall be allocated to the extent thereof:

(A) first, if any Net Loss has been allocated to the holders of Preferred Interests under Section 7.02 (a) (ii) (B), to the holders of Preferred Interests pro rata in proportion to the amount of Net Loss so allocated until the aggregate Net Income allocated under this paragraph (A) shall equal the aggregate amount of such Net Loss;

(B) second, to the holders of Preferred Interests pro rata until the aggregate amount allocated under this paragraph (B) equals a return of 5% per annum on the Face Value of their Preferred Interests;

(C) third, if any Net Loss has been allocated to the holders of Common Interests under Section 7.02(a) (ii) (A) or (C), to the holders of Common Interests pro rata in proportion to the amount of Net Loss so allocated until the aggregate Net Income allocated under this paragraph (C) shall equal the aggregate amount of such Net Loss; and

(D) fourth, to the Partners in accordance with their Participation Percentages.

(ii) Net Loss shall be allocated to the extent thereof:

(A) first, to the holders of Common Interests pro rata to the extent of their respective Capital Accounts;

(B) second, to the holders of Preferred Interests pro rata to the extent of their respective Capital Accounts; and

(C) third, to the Partners in accordance with their Participation Percentages.

(b) Allocations among Universal Partners. (i) If any Net Income or Net Loss, or any items thereof, allocable to the Universal Partners pursuant to Section 7.02(a) is attributable to Non-U.S. Source Items, such Non-U.S. Source Items shall be allocated to the Universal Partners in accordance with their Non-U.S. Participation Percentages, and if any Net Income or Net Loss, or any items thereof, allocable to the Universal Partners pursuant to Section 7.02(a) is attributable to U.S. Source Items, such U.S. Source Items shall be allocated to the Universal Partners in accordance with their U.S. Participation Percentages; provided, however, that to the extent an allocation of Non-U.S. Source Items, on the one hand, or U.S. Source Items, on the other hand, consists of deduction or loss and that would cause the Capital Account balance of any Universal Partner to be reduced below zero, such Non-U.S. Source Items or U.S. Source Items, as the case may be, shall instead be allocated to the other Universal Partners, pro rata, based upon their relative positive Capital Account balances (determined after allocation of all other items for such taxable period); and provided, further, if any items are specially allocated to a Universal Partner pursuant to the immediately preceding proviso, such Universal Partner will be specially allocated Non-U.S. Source Items or U.S. Source Items, as the case may be, consisting of income or gain allocable to the Universal Partners pursuant to Section 7.02(a) in subsequent taxable periods in an amount sufficient to reverse, to the extent practicable and as quickly as possible, the special allocation of deduction or loss items to such Universal Partner pursuant to the immediately preceding proviso; and

(ii) notwithstanding anything to the contrary in Section 7.02(b)(i), any items of interest expense allocable to the Universal Partners pursuant to Section 7.02(a) shall be allocated among the Universal Partners consistent with the allocation of deduction or loss pursuant to this Section 7.02(b); provided, however, that to the extent an allocation of any interest expense items pursuant to this clause (ii) would cause or increase a deficit in the Capital Account balance of any Universal Partner, such interest expense items shall instead be allocated to the other Universal Partners, pro rata, based upon the relative allocations of deduction or loss to such other Universal Partners pursuant to this Section 7.02(b); provided, further, if any items of interest expense are specially allocated to a Universal Partner pursuant to the immediately preceding proviso, the other Universal Partners will be specially allocated items of deduction or loss allocable to the Universal Partners pursuant to Section 7.02(a) in subsequent taxable periods in an amount sufficient to reverse, to the extent practicable and as quickly as possible, the special allocation of interest expense items to such Universal Partner pursuant to the immediately preceding proviso.

(c) Minimum Gain Charge Back. The Partnership shall allocate items of profit among the Partners at such times and in such amounts as necessary to satisfy the minimum gain charge back requirements of Treasury Regulation Sections 1.704-2(f) and 1.704-2(i)(4).

(d) Allocation of Deductions Attributable to Partner Nonrecourse Liabilities. Any nonrecourse deductions attributable to a "partner nonrecourse liability" (as defined in Treasury Regulation Section 1.704-2(b)(4)) shall be allocated among the Partners that bear the economic risk of loss for such Partner's nonrecourse liability under Treasury Regulation Section 1.752-2 in accordance with the ratios in which such Partners share such economic risk of loss and in a manner consistent with the requirements of Treasury Regulation Sections 1.704-2(c), 1.704-2(i)(2) and 1.704-2(j)(1).

(e) Qualified Income Offset. The Partnership shall specially allocate items of profit and loss when and to the extent required to satisfy the "qualified income offset" requirement within the meaning of Treasury Regulation Section 1.704-1(b)(2)(ii)(d).

(f) Curative Allocations. The allocations set forth in Sections 7.02(b), (c) and (d) (the "Regulatory Allocations") are intended to comply with certain requirements of the Treasury Regulations. It is the intent of the Partners that, to the extent possible, the Partnership shall make such special allocations of Partnership income, gain, loss or deduction so that, after such allocations are made, each Partner's Capital Account balance is, to the greatest extent possible, equal to the Capital Account balance such Partner would have had if the Regulatory Allocations were not part of the Agreement and all Partnership items were allocated pursuant to Section 7.02(a) and (f) hereof.

(g) Allocations in Liquidation and upon Maturity of Class A Preferred Interests. Upon a dissolution of the Partnership in accordance with Article XIII, the Net Income or Net Loss (or items of profit, income, gain, loss, deduction and expense) of the Partnership shall be allocated to the Partners so that the balance in each Partner's Capital Account as of the date of dissolution shall equal the amount distributable to such Partner pursuant to Section 13.02(b)(ii) through (iv) (determined without regard to the provisos thereto); provided, however, that for these purposes the Universal Partners, collectively, shall be treated as a single Partner. In the case of any distribution made at the maturity of a Class A Preferred Interest in accordance with Section 8.06, Net Income or Net Loss (or items of profit, income, gain, loss, deduction and expense) for the taxable period of the Partnership in which such distribution is made shall be allocated so that the Capital Account of each holder of such Class A Preferred Interest shall, as of the date of distribution, equal the amount to be distributed to such holder pursuant to Section 8.06.

SECTION 7.03 Allocations of Net Income and Net Loss for Federal Income Tax Purposes. Except as provided in the following sentence, profit, income, gain, loss, deduction and expense as determined for Federal income tax purposes shall be allocated among the Partners in the same proportions as the corresponding items of "book" profit, income, gain, loss, deduction and expense are allocated among such Partners pursuant to Section 7.02. Notwithstanding the foregoing sentence, Federal income tax items relating to any Section 704(c) Property shall be allocated among the Partners in accordance with Section 704(c) of the Code and Treasury Regulation Section 1.704-3(c) to take into account the difference between the fair



market value and the tax basis of such Section 704(c) Property as of the date of its contribution to the Partnership or its revaluation pursuant to Section 7.01(c) using the "traditional method" as described in Treasury Regulation Section 1.704-3(b). Items described in this Section 7.03 shall neither be credited nor charged to the Partners' Capital Accounts.

SECTION 7.04 Allocation of the Partnership Debt. The Partners acknowledge that, for purposes of Section 752 of the Code and in accordance with Treasury Regulation 1.752-3(a)(3), and consistent with allocations of other significant items of Partnership income or gain, 100% of the Partnership Debt shall be allocated pro rata among the Partners holding the Preferred Interests.

SECTION 7.05 Elections. Except as otherwise expressly provided herein, all elections required or permitted to be made by the Partnership under the Code or other applicable tax law (including any election under Section 754 of the Code), and all material decisions with respect to the calculation of its taxable income or tax loss for tax purposes under the Code or other applicable tax law, shall be made in such manner as may be determined by the General Partner.

SECTION 7.06 Fiscal Year. The fiscal year of the Partnership for tax and accounting purposes ("Fiscal Year") shall be the 12-month (or shorter) period ending on December 31 of each year, unless otherwise determined by the Board.

SECTION 7.07 Withholding Requirements. Notwithstanding any provision herein to the contrary, the General Partner is authorized to take any and all actions that are necessary or appropriate to ensure that the Partnership satisfies any and all withholding and tax payment obligations under Section 1441, 1445, 1446 or any other provision of the Code or other applicable law. Without limiting the generality of the foregoing, the General Partner may withhold any amount that it determines is required to be withheld from amounts otherwise distributable to any Partner pursuant to this Agreement; provided, however, that such amount shall be deemed to have been distributed to such Partner for purposes of applying this Agreement. Each Partner will timely provide any certification or file any agreement that is required by any taxing authority in order to avoid any withholding obligation that would otherwise be imposed on the Partnership.

SECTION 7.08 Tax Matters Partner. The General Partner shall act as the "Tax Matters Partner" of the Partnership within the meaning of Section 6231(a)(7) of the Code and in any similar capacity under applicable state or local tax law. The Tax Matters Partner shall not be liable in its capacity as such to the Partnership or the Partners for any losses, claims or damages. All reasonable out-of-pocket expenses incurred by the Tax Matters Partner while acting in such capacity shall be paid or reimbursed by the Partnership.

ARTICLE VIII

Distributions  
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SECTION 8.01 Distributions. (a) The Partnership shall make cumulative preferential distributions to holders of the Class B Preferred Interests at a rate of 3.6% per annum

of the Face Value of such holder's Preferred Interests (without taking into account any adjustments thereto made on the date of such distribution), which distributions shall begin to accrue on the Closing Date. Distributions shall be payable in cash in quarterly installments on the last Business Day of each calendar quarter. Any delay or deferral of distributions required by this Section 8.01 or Section 8.02, including upon a breach of this Section 8.01(a), shall accrue interest commencing on the applicable due date and continuing through to the date of payment at an annual rate equal to USAi's effective cost of borrowing, expressed as a percentage, as of the applicable due date.

(b) At the times and in the amounts determined by the General Partner, subject to Section 5.05(b), the Partnership may make distributions to holders of Common Interests pro rata in accordance with the respective Participation Percentages of such Common Interests; provided that no distributions may be made with respect to the Common Interests unless all past due distributions on the Preferred Interests have been made as of the date of payment.

(c) To the extent any distribution to a Partner provided herein in respect of a Common Interest or a Preferred Interest would exceed the balance of such Partner's Capital Account relating to such Common Interest or Preferred Interest, the distribution of such excess shall be deferred and shall be made (prior to any other distribution pursuant to this Section 8.01) when and to the extent that the balance of such Capital Account is increased.

SECTION 8.02 Tax Distributions. The Partnership shall, as soon as practicable after the close of each taxable year, make cash distributions to each Partner in an amount equal to the product of (a) the amount of taxable income allocated to such Partner for such taxable year pursuant to Section 7.02, reduced by the amount of taxable loss allocated to such Partner for all prior taxable years (except to the extent such taxable losses have previously been taken into account under this sentence) and (b) the highest aggregate marginal statutory Federal, state, local and foreign income tax rate (determined taking into account the deductibility of state and local income taxes for Federal income tax purposes and the creditability or deductibility of foreign income taxes for Federal income tax purposes) applicable to any Partner.

SECTION 8.03 General Limitations. (a) Notwithstanding anything in this Agreement to the contrary, the Partnership, and the General Partner on behalf of the Partnership, is not required to make any distributions except to the extent permitted under the Delaware Act.

(b) Holders of Preferred Interests shall not be entitled to any distributions in excess of the distributions set forth in this Article VIII and Article XIII.

SECTION 8.04 Distributions in Kind. The Partnership shall not distribute any assets in kind, except as provided in Section 13.03.

SECTION 8.05 Closing Date Distribution. At the Effective Time, the Partnership shall use the net proceeds of the Partnership Debt to make a cash distribution to USANi Sub in the amount of \$1,618,710,396.

SECTION 8.06 Distribution upon Maturity of Class A Preferred Interests. On the twentieth anniversary of the Closing Date (the "Maturity Date"), the Class A Preferred

Interests shall be redeemed by the Partnership by payment to the holder thereof of a distribution in cash equal to the Face Value thereof as of such date (after taking into account any accretion in the Face Value pursuant to Section 5.03 through and including the date of redemption). Following such payment, the Class A Preferred Interests shall cease to be outstanding and all the rights of the holders thereof shall cease.

SECTION 8.07 Put/Call Rights with Respect to Class B Preferred Interests. (a) Beginning on the twentieth anniversary of the Closing Date, (i) subject to Section 160 of the Delaware General Corporation Law, Vivendi, Universal, USI-USA, USIE-USA, V-USA and/or SUB I-USA shall have the right to purchase all (but not less than all) of the Class B Preferred Interests of USAi and its Affiliates (the "USAi Preferred Call"), and (ii) USAi shall have the right to require Universal, USI-USA, USIE-USA, V-USA and/or SUB I-USA to purchase all (but not less than all) of its and its Affiliates' Class B Preferred Interests (the "USAi Preferred Put"), in each case at a purchase price equal to (A) a number of shares of USAi Common Shares equal to the lesser of (x) the number of shares (rounded up to the nearest whole share) of USAi Common Shares having a Market Value equal to the Face Value as of such date (after taking into account any accretion in the Face Value pursuant to Section 5.03 through and including such date) of the Class B Preferred Interests or (y) 56,611,308 USAi Common Shares (as adjusted for any stock splits, stock dividends or other similar transactions after the Effective Time), and (B) cash equal to any accrued and unpaid distributions pursuant to Section 8.01(a) (collectively, the "Class B Preferred Consideration"). The terms and provisions of Section 4.17 of the Transaction Agreement are hereby expressly incorporated herein by reference. Universal, USI-USA, USIE-USA, V-USA and/or SUB I-USA shall have the right to substitute cash for the portion of the USAi Common Shares deliverable in the form of USAi Common Stock as set forth in Section 4.17 of the Transaction Agreement, based on the Market Value of such USAi Common Stock. To the extent two or more entities purchase the Class B Preferred Interests under this Section 8.07, the Face Value thereof shall be allocated among such entities pro rata based on the purchase price.

Each of Universal, USI-USA, USIE-USA, V-USA and SUB I-USA hereby agrees that it is jointly and severally liable for the full and prompt payment and performance of the obligations with respect to the USAi Preferred Put, and that such obligations are continuing obligations of payment and performance and not of collection, and that its obligations under this Section 8.07 shall not be discharged until payment and performance, in full, of such obligations has occurred, and that its obligations under this Section 8.07 shall be absolute and unconditional, irrespective of, and unaffected by, (1) the genuineness, validity, regularity, enforceability or any future amendment of, or change in, this Agreement or the Transaction Agreement, (2) the absence of any action to enforce this Agreement (including this Section 8.07) or the Transaction Agreement, (3) the insolvency of any party to this Agreement or the Transaction Agreement, or (4) any other action or circumstances that might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor. Notwithstanding the forgoing, the obligations of USI-USA, USIE-USA, V-USA and SUB I-USA shall be limited to such portion of the purchase price that may be satisfied by the transfer to USAi (or USAi's designee) of the Committed Common Equity (as defined in the Transaction Agreement) received by it pursuant to the Assignment Agreement.

(b) In the event that USAi Common Shares cease to be outstanding following the Effective Time, references to each USAi Common Share in this Section 8.07 shall refer instead to the cash (plus interest accruing at an annual rate equal to USAi's effective cost of borrowing, expressed as a percentage, as of the applicable date on which such cash is delivered in such exchange or conversion) or other securities or property into which each such USAi Common Share was exchanged for or converted into after the Effective Time, including any successive exchange or conversion.

(c) Upon consummation of the USAi Preferred Put or the USAi Preferred Call, the maturity of the Class B Preferred Interests shall be immediately accelerated, and the Class B Preferred Interests shall be redeemed by the Partnership by payment to the holder (or holders) thereof of a distribution in cash equal to the Face Value thereof as of such date (after taking into account any accretion in the Face Value pursuant to Section 5.03 through and including the date of redemption). Following such payment, the Class B Preferred Interests shall cease to be outstanding and all the rights of the holders thereof (or holders thereof on a pro rata basis) shall cease.

#### ARTICLE IX

##### Management of the Partnership -----

SECTION 9.01           General Partner. (a) The business and affairs of the Partnership shall be managed exclusively by the General Partner in a manner consistent with this Agreement, without the need for, except as set forth in Section 5.04, 5.05 or 6.06, any consent or approval of any other Partner. Subject to Section 9.02 and the terms of this Agreement, the General Partner shall have the exclusive power and authority, on behalf of the Partnership, to collect and distribute funds in accordance with Article VIII to make allocations and adjustments in accordance with Article VII and to take any action of any kind not inconsistent with this Agreement and to do anything and everything it deems necessary or appropriate to carry on the business and purposes of the Partnership in a manner consistent with this Agreement. No other Partner shall participate in the management and control of the business of the Partnership, and in no event shall any Partner other than the General Partner have any authority to bind the Partnership for any purpose. Persons dealing with the Partnership are entitled to rely conclusively upon the power and authority of the General Partner.

(b) The General Partner is, to the extent of its rights and powers set forth in this Agreement, an agent of the Partnership for the purpose of the Partnership's business, and the actions of the General Partner taken in accordance with such rights and powers shall bind the Partnership.

SECTION 9.02           Board; Representatives; Chairman. (a) The General Partner shall be responsible for the establishment of policy and operating procedures with respect to the business and affairs of the Partnership and shall appoint agents or employees, with such titles as the General Partner may select, including a chief executive officer, as officers of the Partnership to act on behalf of the Partnership, with such power and authority as the General Partner may designate from time to time to any such Person. The initial chief executive officer shall serve at his will and at the pleasure of the General Partner, shall report directly to the chief

executive officer of the General Partner who shall be the chief executive officer of Vivendi and shall have the same authority to act for the Partnership as a corresponding officer of a Delaware corporation would have to act for a Delaware corporation. Diller shall be the initial chief executive officer of the Partnership. The other officers of the Partnership shall report to the General Partner or the chief executive officer, as determined by the General Partner; provided that, as of the Effective Date and for so long as Diller is the chief executive officer, officers of the Partnership shall report to the chief executive officer.

(b) The General Partner may, at its election, appoint a Board of Directors or other governing body (a "Board") to oversee the policy and operating procedures with respect to the business and affairs of the Partnership, provided, however, that the appointment of a Board shall not alter in any respect the reporting obligations of the chief executive officer. In the event that the General Partner appoints a Board, it shall appoint all of the members of the Board (the "Representatives"), which shall include Diller as a Representative for so long as he remains an officer of the Partnership and otherwise, one Person designated by USAi and reasonably satisfactory to the General Partner as a Representative for so long as USAi and its Affiliates shall have a Participation Percentage in excess of 1%, provided that an USAi Put or an USAi Call has not been exercised and USAi has not exercised its rights under Section 6.03(a)(y). For so long as Diller is chief executive officer of the Partnership, Diller shall also be Chairman of the Board ("Chairman"). The General Partner, in consultation, with the chief executive officer, shall establish whatever procedures it deems necessary and appropriate for operating and governing the business of the Partnership.

(c) No Representative shall be entitled to any fee, remuneration, compensation or expense reimbursement in connection with their service at Board meetings.

SECTION 9.03 Expenses. (a) The Partnership shall pay or reimburse the General Partner for all out-of-pocket expenses reasonably incurred by the General Partner in performing its duties as the General Partner. Except as provided in Section 7.08 and this Section 9.03, the General Partner shall not be entitled to any salary or other compensation for its services to the Partnership as General Partner.

(b) The Partnership shall pay or reimburse Diller and any other USAi employee who is an officer of the Partnership for all out-of-pocket expenses directly related to the performance by Diller or such other Person of his duties as an officer of the Partnership.

SECTION 9.04 Agreement Not To Compete. (a) Diller understands that the Partnership shall be entitled to protect and preserve the going concern value of USAi's Existing Business (as "Existing Business" is defined in the Transaction Agreement) and the Partnership to the extent permitted by law and that Universal would not have entered into this Agreement absent the provisions of this Section 9.04 and, therefore, for a period from the Closing Date until the date that is the earlier of (A) the later of (1) 18 months after the Closing Date and (2) six calendar months after the date upon which Diller ceases to be the chief executive officer of the Partnership and (B) three years after the Closing Date, Diller shall not, and shall cause each of its Affiliates not to, directly or indirectly:

(i) engage in the Restricted Business or acquire any interest in any Person engaged in the Restricted Business; and

(ii) (A) solicit, recruit or hire any employees of USAi's Existing Business or the Partnership or Persons who have worked for USAi's Existing Business or the Partnership, in each case other than employees who perform solely clerical functions for such Persons, (B) solicit or encourage any employee of USAi's Existing Business or the Partnership to leave the employment of USAi's Existing Business or the Partnership, in each case other than employees who perform solely clerical functions for such Persons, and (C) disclose or furnish to anyone any confidential information relating to USAi's Existing Business or the Partnership or otherwise use such confidential information for its own benefit or the benefit of any other Person; provided that the non-solicitation provisions of clauses (A) and (B) shall be deemed not breached by any advertisement or general solicitation that is not specifically targeted at the employees or Persons referred to therein;

provided that, if at any time after 18 months after the Closing Date, Diller resigns as chief executive officer of the Partnership for Good Reason or Diller's employment is terminated without Cause, then the restrictions set forth in this Section 9.04(a) shall cease to apply on and from the effective date of such resignation or termination.

(b) This Section 9.04 shall be deemed not breached as a result of

(i) the ownership by Diller or any of his Affiliates of interests in the Partnership, or of investments in any class of stock of any entity, public or private, engaged, directly or indirectly, in the Restricted Business so long as Diller does not serve as a director, an officer, a consultant or as an employee of such entity and is not otherwise engaged in the management or operations of such entity, (ii) Diller's engagement in not-for-profit or charitable activities related to the Business, whether on boards or otherwise, (iii) ownership of Vivendi Ordinary Shares as the result of the exercise of a Put or a Call or (iv) Diller's position as a member of any board of directors (including on any committees thereof) on which he is a board member on the date hereof.

(c) Diller agrees that the covenant in Section 9.04(a) is reasonable with respect to its duration and scope. If, at the time of enforcement of this Section 9.04, a court holds that the restrictions stated herein are unreasonable under the circumstances then existing, the parties hereto agree that the period and scope legally permissible under such circumstances will be substituted for the period and scope stated herein.

## ARTICLE X

### Transfers of Interests

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SECTION 10.01 Restrictions on Transfers. (a) Except as permitted in this Article X, without the prior written consent of the General Partner, neither USAi or any of its Affiliates nor Diller shall directly or indirectly Transfer all or any part of their respective Interests, or any rights to receive capital, profits or distributions of the Partnership pursuant thereto. To the fullest extent permitted by law, any such Transfer in violation of this Agreement shall be null and void.

(b) It shall be a condition to any Transfer not prohibited by this Article X that such Transfer shall comply with the provisions of the Securities Act and applicable state securities laws. Until any Interest has been registered under the Securities Act, such Interest may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

(c) It shall also be a condition to any Transfer not prohibited by this Article X that no applicable law or judgment issued by any governmental entity shall be in effect, and all consents of, or declarations or filings with, or expirations of waiting periods imposed by, any governmental entity necessary for the consummation of such Transfer shall have been obtained or filed or shall have occurred, and each Partner agrees to cooperate with the other Partners to provide such information and make such filings as shall be necessary to satisfy as promptly as practicable the foregoing conditions in connection with a proposed Transfer.

SECTION 10.02 Transfers Permitted at any Time. (a) At any time and from time to time, so long as such Transfer would not reasonably be expected to result in any materially adverse tax consequences to any other Partners, (i) USAi or any of its Affiliates may Transfer all, but not less than all, of its Interest to USAi or a direct or indirect wholly owned subsidiary of USAi (including any subsidiary that is not wholly owned solely as a result of the fact that Home Shopping Network, Inc. is not a wholly owned subsidiary of USAi, so long as Liberty and USAi remain the only shareholders of Home Shopping Network, Inc. and Light's ownership percentage of Home Shopping Network, Inc. does not increase materially from its interest as of the Closing Date) and (ii) USAi or any of its Affiliates may pledge or grant a security interest in, or place in trust, its Preferred Interests in connection with a bona fide indebtedness or hedging transactions; provided, however, that the terms of such indebtedness or hedge shall not permit or enable under any circumstance, including in the event of a default thereunder, the pledgee of such indebtedness or party to such hedge to foreclose upon or otherwise acquire any Preferred Interests, it being understood that USAi, USANi Sub and/or one of their wholly owned subsidiaries shall in all cases be the only holder(s) of the Preferred Interests.

(b) In respect of holders of Interests that are individuals, a Transfer may be made upon or subsequent to the death of such holder to the executors, administrators, legatees or beneficiaries of such deceased holder, provided that such transferees shall (i) in aggregate be treated as a single Partner for all purposes under this Agreement and (ii) upon such Transfer, sign a counterpart to this Agreement or other similar document of accession, in each case in a customary form, agreeing to be bound by the terms of this Agreement (other than Section 9.04) to the same extent that the transferor was so bound.

SECTION 10.03 Put/Call Rights. (a) (i) At any time, and from time to time, after the fifth anniversary of the Closing Date, Universal shall have the right to purchase all (but not less than all) the Common Interests of USAi and its Affiliates (the "USAi Call"), and (ii) at any time, and from time to time, after the eighth anniversary of the Closing Date, USANi Sub shall have the right to require Universal to purchase all (but not less than all) its and its Affiliates' Common Interests (the "USAi Put"), in each case at a purchase price equal to the Appraised Value thereof. Notwithstanding the foregoing, for so long as USAi or its Affiliates shall be the holder of any Preferred Interests, at the election of USANi Sub, any Call or Put

under this Section 10.03(a) shall only be applicable to a portion of the Common Interests of USANi Sub and its Affiliates such that upon the consummation of the applicable purchase and sale USAi and its Affiliates would retain a Participation Percentage of 1%, and in such event the determination of Appraised Value shall only apply to the portion of the Common Interests of USAi and its Affiliates subject to such Call or Put.

(b) (i) At any time after the first anniversary of the Closing Date, Diller (or his executor, administrator or trustee, as the case may be) shall have the right to sell all (but not less than all) its Common Interests to Universal (the "Diller Put"), and (ii) at any time after the later of (A) the second anniversary of the Closing Date and (B) such time that Diller is no longer chief executive officer of the Partnership, Universal shall have the right to purchase all (but not less than all) the Common Interests of Diller (the "Diller Call"), in each case at a purchase price equal to the greater of (x) the Appraised Value thereof and (y) \$275,000,000. In the event that Diller's employment is terminated without Cause or as a result of his death, Diller terminates his employment for Good Reason or Diller becomes Disabled, the Diller Put shall become thereafter exercisable (by Diller, or his executor, administrator, or trustee, as the case may be) immediately upon such termination or upon becoming Disabled.

(c) A Call or a Put may be exercised by the applicable party by providing notice to Universal in the case of a Put, USA in the case of a USAi Call, or Diller in the case of a Diller Call, in each case in accordance with Section 14.01. The purchase and sale of the Selling Party's Common Interests shall be consummated at a closing the date and time of which shall be selected by the Purchasing Party and provided in writing at least seven days prior thereto; provided that such date shall not be later than the 20th Business Day following the date of the determination of the Appraised Value. Except as set forth in Section 10.03(e), at such closing, the Purchasing Party shall cause to be paid to the Selling Party the applicable purchase price, by wire transfer of immediately available funds, against delivery by the Selling Party of one or more duly executed assignments and bills of sale (in form and substance reasonably satisfactory to the Purchasing Party, but in any event which shall not include any provision for indemnification) assigning its Common Interests to the Purchasing Party, free and clear of any Liens.

(d) The Appraised Value shall be determined as follows:

(i) subject to clause (iii) below, within 15 days from the date of notice given pursuant to Section 10.03(c), the Selling Party and the Purchasing Party shall each notify the other and the Partnership in writing of their respective selection of an Investment Bank; provided that if either such party fails to notify the other of its selection within such period, the determination of the Appraised Value of such Common Interests shall be rendered by the single Investment Bank already selected, within 45 days from the date of its selection, by notice to all the foregoing parties, and such determination shall be deemed to be the Appraised Value of such Common Interests and shall be final for purposes hereof;

(ii) within 45 days from the date of their selection, the Selling Party's Investment Bank and the Purchasing Party's Investment Bank shall jointly notify the Selling Party and the Purchasing Party in writing of their determination of the Appraised Value of such Common Interests (determined as set forth in the definition thereof), or, if



such Investment Banks are unable to agree on such a value (unless the lower individual valuation is within 10% of the higher individual valuation, in which case the two valuations shall be averaged), of their selection of a third Investment Bank, in which case such Investment Banks shall notify such third Investment Bank in writing of their respective determinations of the Appraised Value concurrently with the delivery of the notice described above, following which such third Investment Bank shall, within 30 days, notify all of the foregoing parties of its selection of one of the two original determinations of the Appraised Value, (the "Selected Appraisal"), which Selected Appraisal shall be chosen by such third Investment Bank based on its determination that the Selected Appraisal more closely reflected the Appraised Value of such Common Interests (determined as set forth in the definition thereof) than the other original determination. The Selected Appraisal shall be deemed to be the Appraised Value of such Common Interests and shall be final for purposes hereof. The costs of such determination process shall be borne equally by the Purchasing Party and the Selling Party; and

(iii) if at any time prior to the second anniversary of the Closing Date Diller ceases to serve as the chief executive officer of the Partnership, Universal and Diller shall promptly initiate the process set forth in clauses (i) and (ii) above to determine the Appraised Value of the Partnership as of the time of such cessation, and such Appraised Value shall be deemed to be the Appraised Value of the Partnership with respect to the subsequent exercise of a Diller Put or a Diller Call.

(e) At the election of the Purchasing Party, payment of the purchase price upon the exercise of a Call or a Put may be made in Vivendi Ordinary Shares having a Market Value at the time of closing equal to the applicable purchase price set forth in Section 10.03(a) or Section 10.03(b), in which case the Selling Party shall be entitled to the rights set forth in Section 10.03(f) and 10.03(g). At the closing of any Put or Call pursuant to this Section 10.03(e), Universal shall deliver to USAi or its Affiliates or Diller, as the case may be, validly issued Vivendi Ordinary Shares (or, if Diller requests, other common equity securities of Vivendi listed on an exchange other than that on which the Vivendi Ordinary Shares are listed and representing an equivalent number of Vivendi Ordinary Shares) free and clear of all Liens (other than Permitted Liens). The ability of any successor or new parent entity to Vivendi to issue shares hereunder shall be subject to (i) satisfaction of the trading volume provisions of the definition of Vivendi Ordinary Shares and (ii) the Selling Party receiving less than 5% of the outstanding common stock or ordinary shares of such successor or new parent entity in such issuance.

(f) (i) Vivendi shall provide the Selling Party with, and the Selling Party shall be entitled to, customary registration rights relating to any Vivendi Ordinary Shares received pursuant to Section 10.03(e) (including the ability to transfer registration rights (but not to exceed in the aggregate the total number of registration rights to which the Selling Party is entitled under Section 10.3(f)(ii) in connection with the sale or other disposition of all or a portion of its Vivendi Ordinary Shares). In the event Vivendi Ordinary Shares are listed or quoted on more than one national securities exchange (or Nasdaq), whether in the form of shares, depositary shares or receipts therefor, the Selling Party may elect the type of security (or combination of securities) to be issued to it (such securities sometimes being referred to in

paragraph (g) or this paragraph (f) of Section 10.03 as "Vivendi Ordinary Shares") and such securities shall be issued in an aggregate amount representing the amount of the Vivendi Ordinary Shares that would otherwise have been issued. Vivendi, each of the Partners and the Partnership each hereby agrees to cooperate and use its reasonable best efforts to provide for the prompt marketability of the Vivendi Ordinary Shares to be received hereunder, including, if requested by USAi or Diller, as applicable, through the advance preparation and filing by Vivendi of (x) a registration statement in order that such registration statement may become effective simultaneously with the closing of the Put or Call giving rise to the registration rights under this paragraph (f), and (y) any other regulatory filings or notices.

(ii) If requested by a Selling Party, Vivendi shall be required promptly to cause the Vivendi Ordinary Shares owned by such Selling Party or its Affiliates to be registered under the Securities Act and/or any applicable securities laws of any foreign jurisdiction in order to permit such Selling Party or such Affiliate to sell such shares in one or more (but not more than, in the case of USAi, three, and in the case of Diller, two) registered public offerings (each, a "Demand Registration"). Each Selling Party shall also be entitled to customary piggyback registration rights and, except pursuant to agreements in effect on the date hereof, no other Person shall be entitled to piggyback registration rights with respect to a Selling Party's Demand Registration, without such Selling Party's consent. If the amount of shares sought to be registered by a Selling Party and its Affiliates pursuant to any Demand Registration is reduced by more than 25% pursuant to any underwriters' cutback, then such Selling Party may elect to request Vivendi to withdraw such registration, in which case, such registration shall not count as one of such Selling Party's Demand Registrations. If a Selling Party requests that any Demand Registration be an underwritten offering, then such Selling Party shall select the underwriter(s) to administer the offering, provided that such underwriter(s) shall be reasonably satisfactory to Vivendi. If a Demand Registration is an underwritten offering and the managing underwriter advises the Selling Party initiating the Demand Registration in writing that in its opinion the total number or dollar amount of securities proposed to be sold in such offering is such as to materially and adversely affect the success of such offering, then Vivendi will include in such registration, first, the securities of the initiating Selling Party, and, thereafter, any securities to be sold for the account of others who are participating in such registration (as determined on a fair and equitable basis by Vivendi). In connection with any Demand Registration or inclusion of a Selling Party's or its Affiliate's shares in a piggyback registration, Vivendi, such Selling Party and/or its Affiliates shall enter into an agreement containing terms (including representations, covenants and indemnities by Vivendi and such Selling Party), and shall be subject to limitations, conditions, and blackout periods, customary for a secondary offering by a selling stockholder. The costs of the registration (other than underwriting discounts, fees and commissions, except as provided herein) shall be paid by Vivendi. Vivendi shall pay up to 1% of gross proceeds in the aggregate of any underwriting discounts, fees and commissions related to the registration of shares on the behalf of Diller.

(iii) If Vivendi and a Selling Party cannot agree as to what constitutes customary terms within 10 days of such Selling Party's request for registration (whether in a Demand Registration or a piggyback registration), then such determination shall be

made by a law firm of national reputation mutually acceptable to Vivendi and such Selling Party. In no event shall the inability of the parties to come to agreement on customary terms delay in any way the registration of a Selling Party's Vivendi Ordinary Shares hereunder.

SECTION 10.04 Tag-Along for USAi Limited Partners for Transfers by Universal. (a) If Universal Sub, any Universal Limited Partner or any of their respective Affiliates (each, a "Transferring Entity") shall desire to Transfer in one transaction or a series of related transactions Common Interests beneficially owned by such entity, other than to (w) Vivendi, (x) Universal Studios Holding I Corp., (y) Centenary Holding N.V. or (z) Universal Pictures International B.V., or to a direct or indirect wholly owned subsidiary of any of the foregoing (such Transfer being referred to as a "Tag-Along Event"), such Transferring Entity shall give not less than 10 Business Days' prior written notice to each of the USAi Limited Partners (each, a "Tag-Along Offeree") of such intended Tag-Along Event. Such notice (the "Tag-Along Notice") shall set forth the terms and conditions of such proposed Tag-Along Event, including the name of the proposed transferee or resulting holder of such Common Interests (the "Resulting Holder"), the amount of Common Interests (and the aggregate Participation Percentage represented thereby) proposed to be Transferred in the Tag-Along Event (including the number of securities previously or proposed to be Transferred to the Resulting Holder or its Affiliates in a related transaction) (the "Tag-Along Interests"), the purchase price or consideration per Common Interest on an equivalent basis proposed to be paid and received therefor (or if part of a larger transaction, the fair value allocable portion of the total purchase price or consideration) and the payment terms and type of Tag-Along Event to be effectuated.

(b) Within 10 Business Days after delivery of the Tag-Along Notice by the Transferring Entity to the Tag-Along Offerees, each Tag-Along Offeree shall, by written notice to such Transferring Entity, have the opportunity and right to sell to the Resulting Holder in such proposed Tag-Along Event (upon the same terms and conditions as the Transferring Entity and/or its Affiliates, including the same representations and warranties, covenants, indemnities, holdback and escrow provisions, if any) up to that number of Common Interests beneficially owned by such Tag-Along Offeree as shall represent a Participation Percentage equal to the product of (x) a fraction, (A) the numerator of which is the aggregate Participation Percentage represented by the Tag-Along Interests and (B) the denominator of which is the aggregate Participation Percentage represented by the Common Interests beneficially owned as of the date of the Tag-Along Notice by Universal Sub, the Universal Limited Partners and their respective Affiliates, multiplied by (y) the aggregate Participation Percentage represented by the Common Interests beneficially owned by such Tag-Along Offeree and its Affiliates as of the date of the Tag-Along Notice (the "Tag-Along Amount"). In the event that the proposed transferee is unwilling to purchase all of the Common Interests that the Transferring Entity and the USAi Limited Partners propose to Transfer hereunder, the amount of Common Interests to be Transferred by the Transferring Entity and/or its Affiliates and each of the USAi Limited Partners shall be reduced proportionately. The right of the Tag-Along Offerees shall terminate with respect to that proposed Tag-Along Event if not exercised within the period specified in the first sentence of this clause (b).

(c) At the closing of any proposed Tag-Along Event in respect of which a Tag-Along Notice has been delivered, each Tag-Along Offeree shall deliver to the proposed

Resulting Entity the Common Interests to be sold hereby duly endorsed, or accompanied by written instruments of transfer in form satisfactory to the proposed Resulting Entity, free and clear of all Liens (other than Permitted Liens), and shall receive in exchange therefor the consideration to be paid by the proposed Resulting Entity in respect of such Common Interests.

(d) If, for any reason, the rights of a Tag-Along Offeree, as set forth in this Section 10.04, are unenforceable or otherwise unavailable to such Tag-Along Offeree upon the occurrence of a Tag-Along Event, such Tag-Along Offeree shall have the right to require Vivendi to purchase an amount of Common Interests equal to the Tag-Along Amount from such Tag-Along Offeree upon the same terms and conditions as would have applied had the Tag-Along Offeree's rights under this Section 10.04 been fully enforceable and available.

## ARTICLE XI

### Limitation on Liability, Exculpation

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SECTION 11.01 Limitation on Liability. Except as expressly provided herein or in the other Transaction Documents, the debts, obligations and liabilities of the Partnership, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Partnership, and no Covered Person shall be obligated personally for any such debt, obligation or liability of the Partnership; provided, however, that the foregoing shall not alter each Partner's obligation under the Delaware Act to return funds wrongfully distributed to it.

SECTION 11.02 Exculpation of Covered Persons. (a) Except as expressly provided herein or in the Transaction Agreement, no Covered Person shall be liable, including under any legal or equitable theory of fiduciary duty or other theory of liability, to the Partnership or to any other Covered Person for any losses, claims, damages or liabilities incurred by reason of any act or omission performed or omitted by such Covered Person except for any loss, claims, damages or liabilities arising from such Covered Person's fraud. Whenever in this Agreement a Covered Person is permitted or required to make decisions such Covered Person shall make such decisions in good faith having regard to the best interests of the Partnership and shall not be subject to any other or different standard (including any legal or equitable standard of fiduciary or other duty) imposed by this Agreement or any relevant provisions of law or in equity or otherwise.

(b) A Covered Person shall be fully protected in relying in good faith upon the records of the Partnership and upon such information, opinions, reports or statements presented to the Partnership, Board or management by any Person as to matters the Covered Person reasonably believes are within such Person's professional or expert competence.

SECTION 11.03 Partnership Opportunities. (a) If any of Universal Sub, USAi, Diller or any officer, director, agent, stockholder, member, manager, partner or Affiliate of any of the foregoing acquires knowledge of a potential transaction or matter which may be a Partnership Opportunity (as defined below) or otherwise is then exploiting any Partnership Opportunity, the Partnership shall have no interest in such Partnership Opportunity and no expectancy that such Partnership Opportunity be offered to the Partnership, any such interest or

expectancy being hereby renounced, so that, as a result of such renunciation, and for the avoidance of doubt, such Person (i) shall have no duty to communicate or present such Partnership Opportunity to the Partnership, (ii) subject to Section 9.04, shall have the right to hold any such Partnership Opportunity for its (and/or its officers', directors', agents', stockholders', members', managers', partners' or Affiliates') own account or to recommend, sell, assign or transfer such Partnership Opportunity to Persons other than the Partnership or any subsidiary of the Partnership and (iii) subject to Section 9.04, shall not breach any fiduciary or other duty to the Partnership, in such Person's capacity as a Partner or otherwise, by reason of the fact that such Person pursues or acquires such Partnership Opportunity for itself, directs, sells, assigns or transfers such Partnership Opportunity to another Person, or does not communicate information regarding such Partnership Opportunity to the Partnership.

(b) Notwithstanding the provisions of this Section 11.03, the Partnership does not renounce any interest or expectancy it may have in any Partnership Opportunity that is offered to an officer of the Partnership and who is also a director or officer of Universal Sub, USAi or the respective Affiliates of Vivendi or USAi if such opportunity is expressly offered to such person in his or her capacity as an officer of the Partnership.

(c) For purposes of this Section 11.03 only, the terms (i) "Partnership" shall mean the Partnership and, except where the context requires otherwise, shall also include all corporations, partnerships, joint ventures, associations and other entities in which the Partnership beneficially owns (directly or indirectly) 50% or more of the outstanding voting stock, voting power, partnership or membership interests or similar voting interests, and (ii) "Partnership Opportunity" shall mean an investment or business opportunity or prospective economic advantage in which the Partnership could, but for the provisions of this Section 11.03, have an interest or expectancy.

(d) Except as otherwise expressly provided in Section 9.04, in Section 4.13 of the Transaction Agreement or in any other agreement to which the Partners may be a party, (i) the Partners and their officers, directors, agents, stockholders, members, managers, partners and Affiliates may engage or invest in, independently or with others, any business activity of any type or description, including those that might be the same as or similar to the Partnership's business or the business of any subsidiary of the Partnership, (ii) none of the Partnership, any subsidiary of the Partnership or any Person beneficially owning Common Interests shall have any right in or to such business activities or ventures or to receive or share in any income or proceeds derived therefrom and (iii) to the extent required by applicable law in order to effectuate the purpose of this Section 11.03, the Partnership shall have no interest or expectancy, and specifically renounces any interest or expectancy, in any such business activities or ventures.

SECTION 11.04 Indemnification. (a) The Partnership shall, to the fullest extent authorized under the Delaware Act as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Partnership to provide broader indemnification rights than said law permitted the Partnership to provide prior to such amendment), indemnify and hold harmless any Covered Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit, investigation or proceeding, whether civil, criminal or administrative by reason of the fact that he or a Covered Person of whom he is the legal representative is or was a Representative or officer

of the Partnership, or is or was a Representative or officer of the Partnership serving at the request of the Partnership as a Representative, officer or employee of another partnership, corporation, joint venture, trust or other enterprise (whether the basis of such proceeding is alleged action in an official capacity as a Representative or officer or in any other capacity while serving as a Representative or officer) against all expenses, liability and loss (including attorneys' fees, judgments, fines or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by him in connection therewith, except in a case where such expenses, liabilities or losses resulted from the fraud of such indemnified Person. The right to indemnification conferred in this Agreement shall be a contract right and shall include the right to be paid by the Partnership the expenses incurred in defending any such proceeding in advance of its final disposition, such advances to be paid by the Partnership within 20 days after the receipt by the Partnership of a statement or statements from the claimant requesting such advance or advances from time to time.

(b) At all times from and after the Effective Time, the Partnership shall either maintain directors' and officers' liability insurance covering the officers and Representatives entitled to indemnification under this Section 11.04 or ensure that such officers and Representatives are covered in policies maintained by Vivendi, Universal Sub or their Affiliates, in each case providing coverage for reasonable amounts and on customary terms.

## ARTICLE XII

### Events of Withdrawal; Bankruptcy of a General Partner -----

SECTION 12.01 Events of Withdrawal. Except as otherwise provided in this Agreement, no Partner shall withdraw from the Partnership.

SECTION 12.02 Bankruptcy of a General Partner. (a) In the event of the Bankruptcy of the General Partner (the "Bankrupt Partner"), then the Partnership shall be dissolved unless it is continued without dissolution in accordance with Section 13.01(c) (iii).

(b) In the event a new General Partner is appointed, the Bankrupt Partner shall become a Limited Partner and shall have (x) no right to participate in the management of the Partnership or the business and affairs of the Partnership, and (y) the same interest in all items of income, gain, loss, deduction or credit of the Partnership to the same extent as if such Bankruptcy had not occurred. Upon the occurrence of the Bankruptcy of any General Partner, (i) the Bankrupt Partner and the other Partners shall execute such documents as may be necessary or appropriate to carry out the provisions of this Article XII, and (ii) the USAi Limited Partners are, without necessity of any further action or documentation, hereby appointed attorneys-in-fact of the Bankrupt Partner and the Universal Limited Partners for the purpose of carrying out the provisions of this Article XII and taking any action and executing any documents which such Partners may deem necessary or advisable to accomplish the purposes hereof, such appointment being irrevocable and coupled with an interest.

(c) In the event that the General Partner shall become a "debtor" as defined in the Bankruptcy Code in any case commenced thereunder and at any time during the pendency of such case there shall be appointed (i) a trustee with respect to the Bankrupt Partner under

Section 701, 702 or 1104 of the Bankruptcy Code (or any successor provisions thereto), or (ii) an examiner having expanded powers beyond those specifically enumerated in Section 1104(b) of the Bankruptcy Code, then the USAi Limited Partners may, at any time thereafter, so long as such condition exists, unanimously elect to dissolve the Partnership, in which event the affairs of the Partnership shall be wound up as provided in Article XIII.

ARTICLE XIII

Dissolution and Termination  
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SECTION 13.01       Dissolution. (a) The Partnership shall not be dissolved by the admission of Additional Partners or Substitute Partners pursuant to Section 3.03.

(b) Subject to Section 12.01, no Partner shall withdraw from the Partnership and, to the fullest extent permitted by applicable law, no Partner shall take any action to dissolve, terminate or liquidate the Partnership or to require apportionment, appraisal or partition of the Partnership or any of its assets, or to file a bill for an accounting, except as specifically provided in this Agreement, and each Partner, to the fullest extent permitted by applicable law, hereby waives any rights to take any such actions (or have such actions taken on its behalf) under applicable law, including any right to petition a court for judicial dissolution under Section 17-802 of the Delaware Act.

(c) The Partnership shall be dissolved and its business wound up upon the earliest to occur of any one of the following events:

(i) at the time there are no Limited Partners unless the Partnership is continued without dissolution in accordance with the Delaware Act;

(ii) the written agreement of all the Partners;

(iii) the occurrence of any event that causes the General Partner to cease to be a general partner of the Partnership, unless (i) there is a remaining General Partner who is hereby authorized to and shall continue the business of the Partnership without dissolution or (ii) the USAi Limited Partners agree in writing, within 90 days after such event occurs, to continue the business of the Partnership without dissolution and to appoint, effective as of the date of such event, a new General Partner;

(iv) a decision to dissolve the Partnership in accordance with Section 12.02(c); and

(v) the entry of a decree of judicial dissolution under Section 17-802 of the Delaware Act, in contravention of this Agreement.

(d) Except as provided herein, the resignation, Bankruptcy, insolvency or dissolution of a Partner or the occurrence of any other event that terminates the continued membership of a Partner of the Partnership shall not in and of itself cause a dissolution of the Partnership.

SECTION 13.02 Winding Up of the Partnership. (a) Upon dissolution, the Partnership's business shall be liquidated in an orderly manner. The General Partner shall be the liquidator to wind up the affairs of the Partnership pursuant to this Agreement. If there shall be no General Partner, the remaining Partners may approve one or more liquidators to act as the liquidator in carrying out such liquidation. In performing its duties, the liquidator is authorized to sell, distribute, exchange or otherwise dispose of the assets of the Partnership in accordance with the Delaware Act and in any reasonable manner that the liquidator shall determine to be in the best interest of the Partners.

(b) The proceeds of the liquidation of the Partnership shall be distributed in the following order and priority:

(i) first, to the creditors (including any Partners or their respective Affiliates that are creditors) of the Partnership in satisfaction of all of the Partnership's liabilities (whether by payment or by making reasonable provision for payment thereof, including the setting up of any reserves which are, in the judgment of the liquidator, reasonably necessary therefor);

(ii) second, to the Partners holding Preferred Interests pro rata up to the amount of the Face Value of such Preferred Interests;

(iii) third, to the Partners holding Common Interests pro rata based on the amount of Capital Contributions attributable thereto, up to the amount of such Capital Contributions; and

(iv) fourth, to the Partners holding Common Interests pro rata in accordance with their respective Participation Percentages;

provided, however, that in the event that distributions pursuant to clauses (ii) through (iv) above would not otherwise be identical to distribution in accordance with the positive balances in the Partners' Capital Accounts, such distributions shall instead be made in accordance with such positive balances and; provided, further, that the aggregate amount distributable to the Universal Partners, collectively, pursuant to clauses (ii) through (iv) above or the preceding proviso shall be further distributed among the Universal Partners pro rata based on their relative positive Capital Account balances (determined taking into account any allocations incident to liquidation pursuant to Section 7.02(g)).

SECTION 13.03 Distribution of Property. In the event it becomes necessary in connection with the liquidation of the Partnership to make a distribution of property in kind, subject to the priority set forth in Section 13.02, the liquidator shall have the right to compel each Partner to accept a distribution of any asset in kind, so long as the portion of such asset to be distributed is determined based upon the amount of cash that would be distributed to such Partners if such property were sold for an amount of cash equal to the fair market value of such property, as determined by the liquidator in good faith.

SECTION 13.04 Claims of Partners. The Partners shall look solely to the Partnership's assets for the return of their Capital Contributions, and if the assets of the Partnership remaining after payment of or reasonable provision for the payment of all liabilities



of the Partnership are insufficient to return such Capital Contributions, the Partners shall have no recourse against the Partnership or any Partner.

SECTION 13.05 Termination. The Partnership shall terminate when all of the assets of the Partnership, after payment of or reasonable provision for the payment of all debts and liabilities of the Partnership, shall have been distributed to the Partners in the manner provided for in this Article XIII and when permitted by this Agreement, and the certificate of limited partnership of the Partnership shall have been canceled in the manner required by the Delaware Act.

#### ARTICLE XIV

##### Miscellaneous

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SECTION 14.01 Notices. Except as otherwise expressly provided in this Agreement, all notices, requests and other communications to any party hereunder shall be in writing (including a facsimile or similar writing) and shall be given to such party at the address or facsimile number set forth for such party in Schedule A hereto or as such party shall hereafter specify for the purpose by notice to the other parties. Each such notice, request or other communication shall be effective (i) if given by facsimile, at the time such facsimile is transmitted and the appropriate confirmation is received (or, if such time is not during a Business Day, at the beginning of the next such Business Day), (ii) if given by mail, five Business Days (or, (x) if by overnight courier, one Business Day, or (y) if to an address outside the United States, seven Business Days) after such communication is deposited in the mails with first-class postage prepaid, addressed as aforesaid, or (iii) if given by any other means, when delivered at the address specified pursuant to this Section 14.01.

SECTION 14.02 No Third Party Beneficiaries. Except as provided in Sections 10.02(b), 10.03 and 11.04, this Agreement is not intended to confer any rights or remedies hereunder upon, and shall not be enforceable by, any Person other than the parties hereto.

SECTION 14.03 Waiver. No failure by any party to insist upon the strict performance of any covenant, agreement, term or condition of this Agreement or to exercise any right or remedy consequent upon a breach of such or any other covenant, agreement, term or condition shall operate as a waiver of such or any other covenant, agreement, term or condition of this Agreement. Any Partner by notice given in accordance with Section 14.01 may, but shall not be under any obligation to, waive any of its rights or conditions to its obligations hereunder, or any duty, obligation or covenant of any other Partner. No waiver shall affect or alter the remainder of this Agreement but each and every covenant, agreement, term and condition hereof shall continue in full force and effect with respect to any other then existing or subsequent breach. The rights and remedies provided by this Agreement are cumulative and the exercise of any one right or remedy by any party shall not preclude or waive its right to exercise any or all other rights or remedies.

SECTION 14.04 Integration. This Agreement and the Transaction Documents constitute the entire agreement among the parties hereto pertaining to the subject

matter hereof and supersede all prior agreements and understandings of the parties in connection herewith, and no covenant, representation or condition not expressed in this Agreement or in any Transaction Document shall affect, or be effective to interpret, change or restrict, the express provisions of this Agreement. Notwithstanding the foregoing, the parties hereto agree to be bound by the terms and provisions of the Letter Agreement (the "Letter Agreement") dated as of the Closing Date, by and among the Universal Partners and the USAi Limited Partners relating to the clarification of certain matters in this Agreement, and the terms and provisions of the Letter Agreement are hereby expressly incorporated herein by reference.

SECTION 14.05 Headings. The titles of Articles and Sections of this Agreement are for convenience only and shall not be interpreted to limit or amplify the provisions of this Agreement.

SECTION 14.06 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same instrument.

SECTION 14.07 Severability. Each provision of this Agreement shall be considered separable and if for any reason any provision or provisions hereof are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid.

SECTION 14.08 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without giving effect to the conflicts of law principles thereof.

SECTION 14.09 Jurisdiction. Each of the Partners (i) consents to and submits itself and its property to the personal jurisdiction of any Federal or state court located in the State of Delaware in the event of any dispute arising out of or relating to this Agreement, (ii) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court, (iii) agrees that it will not bring any action relating to this Agreement in any court other than a Federal or state court sitting in the State of Delaware and (iv) hereby waives any rights such Partner may have to personal service of summons, complaint or other process in connection therewith, and agrees that service may be made by registered or certified mail addressed to such Partner and sent in accordance with the provisions of Article XIV hereof.

SECTION 14.10 Attorney-in-Fact. Each Universal Limited Partner hereby appoints Universal Sub as its attorney-in-fact, with full power and authority, for the purpose of taking any action and executing any instrument necessary for carrying out the respective voting, approval and consent rights of such Person pursuant to this Agreement.

SECTION 14.11 Limited Partner Voting Rights. The Partners hereby agree that (i) no Limited Partner other than the USAi Limited Partners shall have any voting or consent rights under this Agreement or the Delaware Act and (ii) when any vote or consent of the Limited Partners is to be given under this Agreement or, subject to Section 6.06 hereof, the Delaware Act, the vote or consent of the USAi Limited Partners shall control; provided,

however, that in the event that the General Partner becomes a Limited Partner pursuant to Section 12.02, then such Limited Partner shall have the right bestowed upon the USAi Limited Partners in Section 6.06(i).

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties as of the day and year first above written.

USI ENTERTAINMENT, INC.,

by /s/ Karen Randall

-----  
Name: Karen Randall  
Title: Executive Vice President  
and General Counsel

USANI HOLDING XX, INC.,

by /s/ Karen Randall

-----  
Name: Karen Randall  
Title: Executive Vice President  
and General Counsel

UNIVERSAL PICTURES INTERNATIONAL  
HOLDINGS BV,

by /s/ Ad Heskes

-----  
Name: Ad Heskes  
Title: Director

UNIVERSAL PICTURES INTERNATIONAL  
HOLDINGS 2 BV,

by /s/ J.R. Van der Eijnden

-----  
Name: J.R. Van der Eijnden  
Title: Director

NYCSPIRIT CORP. II,

by /s/ George E. Bushnell III

-----  
Name: George E. Bushnell III  
Title: Vice President and Secretary

USA NETWORKS, INC.,

by /s/ Julius Genachowski  
-----  
Name: Julius Genachowski  
Title: Executive Vice President

USANi SUB LLC,

by /s/ Eric DeGraw  
-----  
Name: Eric DeGraw  
Title: Vice President

NEW-U STUDIOS HOLDINGS, INC.,

by /s/ Julius Genachowski  
-----  
Name: Julius Genachowski  
Title: Vice President

BARRY DILLER,

/s/ Barry Diller  
-----

Initial Limited Partner,  
solely to reflect its withdrawal  
from the Partnership

USI INTERIM LP INC.,

by /s/ Karen Randall  
-----  
Name: Karen Randall  
Title: Executive Vice President  
General Counsel

Only for purposes of Sections  
8.07 and 10.03:

UNIVERSAL STUDIOS, INC.

by /s/ Kevin Conway  
-----  
Name: Kevin Conway  
Title: Vice President

Only for purposes of Sections  
10.03(f) and 10.04(d):

VIVENDI UNIVERSAL, S.A.,

by /s/ Kevin Conway  
-----  
Name: Kevin Conway  
Title: Senior Vice President

Only for purposes of Section 8.07:

USI - USA HOLDING LLC

by /s/ Kevin Conway  
-----  
Name: Kevin Conway  
Title: Authorized Person

USIE - USA HOLDING LLC

by /s/ Kevin Conway  
-----  
Name: Kevin Conway  
Title: Authorized Person

V - USA HOLDING LLC

by /s/ Kevin Conway

-----  
Name: Kevin Conway  
Title: Authorized Person

SUB I - USA HOLDING LLC

by /s/ Kevin Conway

-----  
Name: Kevin Conway  
Title: Authorized Person

## [USA INTERACTIVE LOGO]

USA NETWORKS, INC. COMPLETES TRANSACTION WITH  
 VIVENDI UNIVERSAL; COMPANY RENAMED USA INTERACTIVE  
 USA TO FOCUS ON INTERACTIVE COMMERCE

NEW YORK, NY - May 7, 2002 - USA Networks, Inc. (Nasdaq: USAI) announced today that it has been renamed USA Interactive following the completion of the transaction with Vivendi Universal, S.A. ("Vivendi") to create a joint venture called Vivendi Universal Entertainment ("VUE"). USA Interactive will continue to trade as "USAI" on Nasdaq.

With the closing of this transaction, USA will become a pure interactive commerce company. USA owns or controls interactive businesses in multiple, interrelated areas, such as electronic retailing, travel services, ticketing services, personals services, local information services and teleservices. Comprised of HSN; Expedia, Inc. (Nasdaq: EXPE); Hotels.com (Nasdaq: ROOM); TV Travel Group; Ticketmaster (Nasdaq: TMCS), which operates Match.com and Citysearch; Precision Response Corporation; Electronic Commerce Solutions; and Styleclick (OTC: IBUYA), USA is well positioned to benefit from the migration of consumers from traditional bricks-and-mortar companies to transactions conducted via the Internet, the television and the telephone.

The transaction, which was announced on December 17, 2001, involves the contribution to VUE of USA Cable, which includes USA Network, SCI FI Channel, TRIO and Newsworld International; Studios USA, which produces and distributes television programming; and USA Films, which produces and distributes films. Vivendi will contribute the film, television and theme park businesses of its subsidiary, Universal Studios, Inc.

In connection with this transaction, USA has retired approximately 321 million shares previously owned by Vivendi, thereby reducing USA's fully diluted shares to 477 million shares. In addition, USA has received \$1.6 billion in cash, \$2.5 billion in preferred interests in VUE, and a 5.4% common interest in VUE. USA also issued to Vivendi warrants to purchase 60.5 million USA common shares.

USA's businesses collectively process approximately \$8 billion worth of transactions, 1 billion minutes of inbound customer calls, 83 million orders, 68 million credit card transactions, and ship 47 million items annually. USA's Internet commerce properties - which include HSN.com, ticketmaster.com, Expedia (R), Hotels.com, and Match.com - are all profitable and the Company's flagship properties are number one or number two in their respective categories.

The businesses comprising USA Interactive are as follows:

HSN (HSN.COM, ABCSHOWSTORE.COM, HSE24.DE, IMPROVEMENTSCATALOG.COM, SHOPCHANNEL.CO.JP, USOPENSTORE.COM)

HSN celebrates its 25th anniversary this year. The idea materialized on a small AM radio station in Florida and has since grown into a global multichannel retailer with a thriving TV, catalog and Web business on hsn.com. HSN's programming now reaches more than 180 million households worldwide. HSN sells 22,000 different items annually, mostly on an exclusive basis, including such popular brands as Wolfgang Puck, Sony, Christopher Lowell, Randolph Duke and the NFL.

EXPEDIA (EXPEDIA.COM, EXPEDIA.CA, EXPEDIA.CO.UK, EXPEDIA.DE, EXPEDIA.IT, EXPEDIA.NL, EXPEDIA.VOYAGES-SNCF.COM, VACATIONSPOT.COM)

Expedia, Inc., a majority-owned subsidiary of USA Interactive, is the world's leading online travel service and the seventh largest travel agency in the United States. It operates Expedia.com in the United States and localized versions throughout Europe and Canada.

HOTELS.COM (HOTELS.COM, 180096HOTEL.COM, HOTELDISCOUNT.COM, CONDOSAVER.COM, ALLLUXURYHOTELS.COM, TRAVELNOW.COM, ACENETHOTELS.COM)

Hotels.com, a majority-owned subsidiary of USA Interactive, is the largest specialized provider of discount hotel accommodations worldwide, providing service through its own websites (including www.hotels.com and others), more than 25,000 affiliated websites, and three toll-free call centers (1-800-2-HOTELS). Hotels.com provides accommodations to travelers at over 6,000 properties in 218 markets in North America, Europe, the Caribbean and Asia.

TV TRAVEL GROUP (TVTRAVELSHOP.COM, TVTRAVELSHOP.DE)



TV Travel Group pioneered the world's first transactional TV travel business. It operates two channels in the United Kingdom, TV Travel Shop(TM) and TV Travel Shop 2; and one in Germany, TV Travel Shop Germany. TV Travel Shop(TM) is distributed in all of the U.K.'s 11 million multi-channel homes. TV Travel Shop 2 is available in seven million homes in the U.K. TV Travel Shop Germany is a joint venture between TV Travel Group and Preussag's TUI Deutschland, and is currently available to 12 million German-speaking multi-channel households in Germany, Switzerland and Austria.

TICKETMASTER (TICKETMASTER.COM, LIVEDAILY.COM, ADMISSION.COM)  
Ticketmaster, a majority-owned subsidiary of USA Interactive, is the world's leading ticketing and access company, serving more than 7,000 clients worldwide and acting as the exclusive ticketing service for hundreds of leading arenas, stadiums, performing arts venues, and theaters.

TICKETWEB (TICKETWEB.COM), RESERVEAMERICA (RESERVEAMERICA.COM), THE ACTIVE NETWORK (ACTIVE.COM)  
The Ticketmaster Access Group provides ticketing and access solutions worldwide. TicketWeb provides ticketing solutions for small and medium size venues. ReserveAmerica is a camping reservation and campground management solutions

provider. The Active Network, Inc. is a leading provider of technology and marketing solutions for the participatory sports and recreation industry. TicketWeb and ReserveAmerica are wholly owned subsidiaries of Ticketmaster and Ticketmaster holds an equity investment in The Active Network, Inc.

#### MATCH (MATCH.COM)

Match.com is a leading subscription-based online dating site, with more than 527,000 paying subscribers. Match.com powers paid online dating on The Microsoft Network; The Excite Network's Relationship Channels; Talk City; BET Interactive; and is the premier provider of personals for Love@AOL, offering the Match.com service across AOL, AOL.com, CompuServe and Netscape.com.

#### EVITE (EVITE.COM)

Evite is an event communication network designed to give people all the tools they need to plan, host or attend any type of group gathering. Evite helps individuals manage event communication and access all the resources necessary for successful activity planning.

#### CITYSEARCH (CITYSEARCH.COM)

Citysearch is a leading local network providing local information for every city in the country. Citysearch currently covers approximately 12 million listings in more than 300 categories including local events, organizations and businesses.

#### PRECISION RESPONSE CORPORATION (PRCNET.COM)

Precision Response Corporation (PRC) has been managing customer relationships for some of the world's leading corporation for over 20 years. PRC is a trusted outsourced provider of solutions such as Inbound/Outbound Teleservices, Email Management, IVR, Web Services, and Fulfillment, each fully integrated with PRC's proprietary CRM technology to maximize service and quality.

#### ELECTRONIC COMMERCE SOLUTIONS (SPORTSLINE.COM/MVP, STORE.NBA.COM, STORE.NASCAR.COM, PGATOURSTOP.COM, SHOP.NHL.COM)

USA Electronic Commerce Solutions (ECS) provides end-to-end e-commerce solutions for its partners, including online store design and development, merchandising, marketing and customer care, and fulfillment, by utilizing other USA Interactive businesses including Precision Response Corporation and HSN.

#### STYLECLICK (STYLECLICK.COM)

Styleclick, Inc.'s technology integrates its online storefront application, merchandising, inventory management and reporting systems with fulfillment and customer care. Styleclick's technology platform leverages a central CRM-driven database for consumer profiling and direct marketing capabilities. Styleclick is a majority-owned subsidiary of USA Interactive.

#### ABOUT USA INTERACTIVE

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USA Interactive (Nasdaq: USAI), via the Internet, the television and the telephone, engages worldwide in the business of interactivity across electronic retailing, travel services, ticketing services, personals services, local information services and

teleservices. USA is comprised of HSN; Expedia, Inc. (Nasdaq: EXPE); Hotels.com (Nasdaq: ROOM); TV Travel Group; Ticketmaster (Nasdaq: TMCS), which operates Match.com and Citysearch; Precision Response Corporation; Electronic Commerce Solutions; and Styleclick (OTC: IBUYA).

IMPORTANT DISCLOSURES

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This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include the information relating to possible or assumed future results of operations of USA and its subsidiaries, including those preceded by, followed by or that include the words "believes," "could," "projects," "estimates," "intends," "expects," "anticipates" or similar expressions. These statements reflect the current views of USA with respect to future events, and are based on information currently available to USA. These forward-looking statements are subject to risks, uncertainties and assumptions that may affect the operations, performance, development and results of USA's and its subsidiaries' business. The following important factors, in addition to those described in USA's and its subsidiaries' filings with the Securities and Exchange Commission, could affect the future results of USA and the other subsidiaries of USA described in this press release, and could cause those results to differ materially from those expressed in the forward-looking statements: material adverse changes generally or in economic conditions in the markets served by our businesses; future regulatory actions and conditions in our businesses' operating areas; competition from others; successful integration of our divisions, including recently acquired businesses; product demand and market acceptance; the ability to protect proprietary information and technology or to obtain necessary licenses on commercially reasonable terms; the ability to expand into and successfully operate in foreign markets; and obtaining and retaining key executives and employees. You are cautioned not to place undue reliance on these forward-looking statements, which are made as of the date of this press release. USA undertake no obligation to update or revise the forward-looking statements contained in this press release, whether as a result of new information, future events or any other reason.

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Contacts: Ron Sato, USA Corporate Communications, 212/314-7254  
Roger Clark/Lauren Rosenfield, USA Investor Relations, 212/314-7400