

01-09-2001



12-22-00

101575795

Box Assignments
Commissioner of
Patents and
Trademarks
Washington DC 20231

CERTIFICATE OF MAILING

I hereby certify that this correspondence and any documents indicated as being enclosed therein are being deposited with United States Postal Service as first class mail in an envelope addressed to "Box Assignments, Commissioner of Patents and Trademarks, Washington DC 20231"

20-December 2000

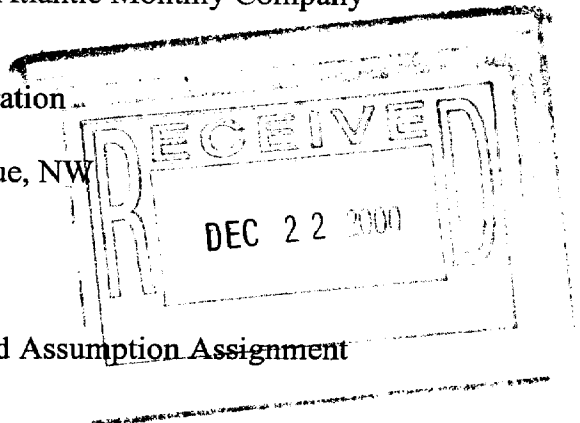
Date of Deposit

Jean A. Burns
Jean A. Burns

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

- 1. Name of Conveying Party(s): The Atlantic Monthly Company
- 2. Name and Address of Receiving Party(s):
Name: ATMO Acquisition Corporation
Address: The Watergate
600 New Hampshire Avenue, NW
Washington, DC 20037

Type of entity: A Delaware Corporation
- 3. Nature of Conveyance: Purchase and Assumption Assignment
Execution Date: 09/27/99
- 4. Application Number(s) and/or Registration Numbers: See Attached Exhibit A
- 5. Name and Address of Party to Whom Correspondence Concerning Document Should Be Mailed:
Peter F. Weinberg
Gibson, Dunn & Crutcher, LLP
1801 California, Suite 4100
Denver, CO 80202



143895

6. Total Number of Applications and/or Registrations Involved: 6

7. Total Fee: \$165.00 Enclosed (Check No. 42897)

8. Statement and Signature: To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Dated: 12-20-00

Peter F. Weinberg
Peter F. Weinberg

Enclosed: Purchase and Assumption Agreement (34 pages), Check No. 42897, postcard receipt
Atty. Docket: 03165-00014

08/2001 670811 00000310 143895
40.00 DP
125.00 CP

EXHIBIT A

<u>MARK</u>	<u>REGISTRATION NO.</u>
Atlantic Monthly	143,895
Atlantic Unbound	2,145,858
Executive Decision	2,256,359
The Atlantic	1,223,433
TheAtlantic.com	2,096,769
(Miscellaneous Design)	1,349,307

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PURCHASE AND ASSUMPTION AGREEMENT

This Purchase and Assumption Agreement is dated as of September 27, 1999 among ATMO Acquisition Corporation, a Delaware corporation (the "Purchaser"), The Atlantic Monthly Company, a Massachusetts corporation (the "Seller") and, with respect only to Sections 2.1(b), 2.3(a), 5.1, 5.4 and 7.13 of this Agreement, Mortimer B. Zuckerman (the "Shareholder").

RECITALS

The parties hereto desire to effect a transaction pursuant to which the Purchaser will acquire the Publication Business of the Seller by purchasing certain assets and assuming certain liabilities of the Seller on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual agreements hereinafter set forth, and for other good and reasonable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

AGREEMENT

ARTICLE I

DEFINITIONS

Whenever used herein, the following terms shall have the meanings set forth below.

"Account Transition Period" has the meaning given to such term in Section 5.5(i).

"Accountants" means Arthur Andersen LLP.

"Accounts Receivable" means the outstanding amounts set forth on Schedule 1.1 which are owed to the Seller.

"Accrued Vacation Amount" means the book value, as of the date hereof, of all vacation time that has been accrued (in accordance with Seller's historical practices for accruing vacation time) and is unused and has not been forfeited as of the date hereof by all employees listed on Schedule 4.2(p)(i) who were employed by the Seller on the date hereof.

"Actual Net Working Capital" means an amount, as of the date hereof, equal to (a) the sum of the book values of the balance sheet items "cash and cash equivalents," "restricted cash" and "net accounts receivable," which are Assets, minus (b) the book value of the balance sheet item "accounts payable", in all cases in (a) and (b) as incurred in the ordinary course of business consistent with past practice (in terms of both frequency and magnitude) and reflected on the balance sheet of the Seller as of the date hereof.

"Agreement" means this Purchase and Assumption Agreement, including all Exhibits and Schedules attached hereto or delivered pursuant hereto, and all amendments hereof and supplements hereto.

"Affiliate", with respect to a Person, means any Person directly or indirectly controlling, controlled by or under common control with such Person.

"Allocation" has the meaning given to such term in Section 2.6.

"Applicable Law" means any domestic, federal, state or local statute, law, ordinance, rule, administrative interpretation, regulation, order, writ, injunction, directive, judgment, decree or other requirement of any governmental authority applicable to the Seller or to any of its properties, assets, officers, directors, employees or agents.

"Artwork" means all of Seller's right, title and interest in original and reproduction artifacts, paintings, prints, photographs, historical memorabilia and other works of art.

"Asset Purchase Price" means \$8,625,000, as adjusted as provided in Article II.

"Assets" means the Furniture, Fixtures and Equipment, the Accounts Receivable, the Cash on Hand, the Inventories, the Records, the Software Rights of the Seller listed on Schedule 4.2(s)(ii)(B), the Intellectual Property, the Technology Systems listed on Schedule 4.2(s)(i)(B), the prepaid expenses (including but not limited to commissions), the Artwork, all of the Seller's right, title and interest in and to the Publication (including all rights and remedies arising in connection therewith and all documents, including subscription lists, pertaining thereto), including those assets set forth on Schedule 1.4.

"Assumed Contracts" has the meaning given to such term in Section 4.2(g).

"Assumed Liabilities" means: (i) the balance sheet item "accounts payable"; (ii) those items identified on Schedule 1.3; (iii) the Accrued Vacation Amount; (iv) the obligation to pay Severance pursuant to Section 5.3(d) and (v) all obligations of the Seller accruing on or after the date hereof under the Assumed Contracts.

"Atlantic Employee" has the meaning given to such term in Section 4.2(p)(i).

"Cash on Hand" means all cash and cash-equivalents of the Seller, including petty cash.

"Cash Purchase Price" means \$11,022,732.

"Closing" means the closing of the transactions provided for herein as provided in Article III.

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

"Consideration" has the meaning given to such term in Section 2.6.

“Continuation Coverage” has the meaning given to such term in Section 5.3(c).

“Encumbrances” means all mortgages, claims, charges, liens, encumbrances, easements, limitations, restrictions and security interests, whether perfected or not.

“ERISA” means the Employment Retirement Income Security Act of 1974, as amended.

“Escrow” has the meaning given to such term in Section 2.1(a).

“Escrow Agent” means Branch Banking & Trust Co.

“Escrow Agreement” means the Escrow Agreement, dated as of the date hereof, among the Purchaser, the Seller and the Escrow Agent, the form of which is attached hereto as Exhibit A.

“Estimated Net Working Capital” means a negative value of \$246,337.

“Excluded Assets” means the items set forth on Schedule 1.8 that will be retained by the Seller or such other entities, as the case may be.

“Financial Statements” has the meaning given to such term in Section 4.2(i).

“Furniture, Fixtures and Equipment” means all furniture, fixtures and equipment that are used in the Publication Business in the Leased Offices, all as set forth in Schedule 4.2(f), subject, with respect to fixtures, to any applicable rights of landlords and landlords' mortgages.

“GAAP” means generally accepted accounting principles.

“General Warranty Claims of the Purchaser” has the meaning given to such term in Section 6.6(b).

“General Warranty Claims of the Seller” has the meaning given to such term in Section 6.5(a).

“Guides” has the meaning given to such term in Section 5.4.

“Information” has the meaning given to such term in Section 5.2.

“Indemnified Parties” has the meaning given to such term in Section 6.3.

“Indemnifying Party” has the meaning given to such term in Section 6.3.

“Intellectual Property” means all intellectual property used in the Publication Business of the Seller including but not limited to all registered and unregistered trademarks, tradenames, service marks, fictional business names, trading names, copyrights (in published and unpublished works, including Atlantic Unbound and "theatlantic.com" domain name and any other on-line content presence), including applications relating thereto and all rights relating thereto, all trade

secrets, confidential information and customer and subscription lists, all past, current and future editorial material including but not limited to manuscripts, art, cartoons and photographs, and all rights to the names set forth on Schedule 4.2(j), related logos and any variations thereof.

“*IRS*” means the Internal Revenue Service, or any successor thereto.

“*Inventories*” means all consumable items used or useful in the Publication Business of the Sellers including but not limited to work in process, publication paper, advertising and circulation promotional material, research material, editorial material including but not limited to manuscripts, art, cartoons and photographs and computer supplies.

“*Leased Offices*” means the Seller's office location at 77 North Washington Street, Fifth Floor, Boston, MA, leased by the Seller.

“*Leasehold Improvements*” means all improvements to the Leased Offices installed or constructed by or on behalf of the Seller and used in connection with the operation or maintenance of the Leased Offices, all as set forth in Schedule 4.2(f).

“*Losses*” has the meaning given to such term in Section 6.1.

“*Material Adverse Change*” has the meaning given to such term in Section 4.2(k).

“*Net Working Capital Statement*” has the meaning given to such term in Section 2.3(b).

“*Notice of Disagreement*” has the meaning given to such term in Section 2.3(b).

“*Offeree Employees*” has the meaning given to such term in Section 5.3(a).

“*Office Lease*” means the lease relating to the Leased Offices.

“*Opinion of Counsel*” means a written opinion of counsel to the Seller reasonably acceptable to the Purchaser in the form of Exhibit B.

“*Person*” means any individual, sole proprietorship, partnership, joint venture, trust, incorporated organization, association, corporation, institution, party, entity or governmental authority.

“*Plan*” has the meaning given to such term in Section 4.2(o).

“*Prepaid Advertising*” has the meaning given to such term in Section 2.1(b).

“*Prepaid Advertising Purchase Price*” means \$3,000,000.

“*Publication Business*” means the business of the Seller, including the business operations relating to the Publication, but excluding the business operations relating to all other entities and publications owned by the Seller's shareholders, such as Fast Company and U.S. News and World Report.

"Publication" means The Atlantic Monthly.

"Purchaser" has the meaning given to such term in the preamble.

"Records" means all books and records and original documents in the possession of the Seller or any third party that pertain to or are utilized by the Seller to administer, reflect, monitor, evidence or record information respecting the Publication Business, the Assets or the Assumed Liabilities, including all such records maintained on electronic or magnetic media, in the electronic data base system of the Seller or any Affiliate of the Seller or to comply with any Applicable Law to which the Assets or Assumed Liabilities are subject and including current and non-current advertiser lists and active and inactive subscriber lists. Records shall not include corporate or stockholder-related records of the Seller or any records relating to assets and liabilities of the Seller not purchased or assumed by the Purchaser.

"Release" means a release, executed by the Shareholder and the Seller as to all claims arising from or related to the Revolving Credit Agreement dated April 1, 1981 between the Shareholder and the Seller, as amended, reasonably acceptable to the Purchaser in the form of Exhibit C.

"Returns" means all reports, estimates, declarations of estimated tax, information statements, returns and other documents required to be prepared or filed in connection with any Taxes.

"Seller" has the meaning given to such term in the preamble.

"Severance" has the meaning given to such term in Section 5.3(d).

"Shareholder" has the meaning given to such term in the preamble.

"Software" means all computer programs, software, firmware and related documentation used in the operation of the Publication Business, other than any such items included in the list of Excluded Assets.

"Software Rights of the Seller" means all of the Seller's right, title and interest in and to the Software.

"Sublease" has the meaning given to such term in Section 2.5.

"Tax Claims" has the meaning given to such term in Section 6.6(a).

"Taxes" means all taxes, however denominated, including any interest, penalties or other additions that may become payable in respect thereof, imposed by any governmental authority, including all income or profits taxes (including federal income taxes and state income taxes), payroll and employee withholding taxes, back-up withholding and other withholding taxes, unemployment insurance, social security taxes, sales and use taxes, ad valorem taxes, excise taxes, franchise taxes, gross receipts taxes, business license taxes, occupation taxes, real and personal property taxes, stamp taxes, environmental taxes, transfer taxes, bulk transfer taxes,

conveyance taxes, workers' compensation and Pension Benefit Guaranty Corporation premiums, and other obligations of the same or of a similar nature to any of the foregoing, which the Seller is required to pay, withhold or collect.

"Technology Systems" has the meaning given to such term in Section 4.2(s).

ARTICLE II

CONVEYANCE FROM THE SELLER TO THE PURCHASER; PURCHASE OF CERTAIN ASSETS AND ASSUMPTION OF SPECIFIED LIABILITIES BY THE PURCHASER

Section 2.1 Transfer and Consideration.

(a) Subject to the terms and conditions set forth in this Agreement, at the Closing the Purchaser will purchase the Assets and the Seller will sell, assign, transfer, convey and deliver to the Purchaser, free and clear of all Encumbrances, all of the Seller's right, title and interest in, to and under the Assets to the Purchaser. In consideration for the sale of the Assets to the Purchaser, the Purchaser: (i) will assume the Assumed Liabilities; and (ii) will pay the Seller, by wire transfer in immediately available funds, an amount determined by (A) adding, if a positive number, or subtracting, if a negative number, the Estimated Net Working Capital, (B) subtracting a portion of the Accrued Vacation Amount determined by (1) subtracting \$86,000 from the total Accrued Vacation Amount and (2) dividing the remainder by two and (C) subtracting \$300,000 (the "Escrow") from the Asset Purchase Price. The Escrow will be deposited with the Escrow Agent and, together with interest thereon, will be applied as provided in Section 2.4. All intercompany payables from the Seller to the Shareholder or any affiliate of the Shareholder will have been canceled and released prior to the date hereof and will not be taken into account in computing the Estimated Net Working Capital.

(b) Subject to the terms and conditions set forth in this Agreement: (i) at the Closing the Purchaser will purchase the Prepaid Advertising and will pay the Seller, by wire transfer in immediately available funds, the Prepaid Advertising Purchase Price; and (ii) during the five year period following the date hereof, the Shareholder will provide or cause to be provided to the Purchaser, or at the discretion of the Purchaser one or more of its Affiliates in the publishing business, at no cost to the Purchaser or such Affiliate or Affiliates as the case may be, \$3,000,000 worth of advertising in the publication "U.S. News and World Report" or, subject to the mutual agreement of the Purchaser and the Shareholder, U.S. News and World Report's web site (the "Prepaid Advertising") at the prevailing rates paid by regular advertisers for similar volumes at the time such advertising is published. Such advertising shall be published at such times and in such issues as may be reasonably satisfactory to the Purchaser and the Shareholder. The Purchaser will not sell or barter the Prepaid Advertising to any third party.

Section 2.2 Adjustment to Cash Purchase Price. The Cash Purchase Price will be subject to adjustment as provided in Sections 2.3.

Section 2.3 Working Capital Adjustment.

(a) The Cash Purchase Price shall be adjusted according to the difference between the Actual Net Working Capital of the Seller as of the date hereof and the Estimated Net Working Capital. If the Actual Net Working Capital is less than the Estimated Net Working Capital, then the Purchaser will be entitled to withdraw from the Escrow the amount by which the Actual Net Working Capital is less than the Estimated Working Capital, plus interest accrued thereon, and the balance of the Escrow promptly will be paid over to the Seller. If the Escrow is insufficient to provide for the full payment due to the Purchaser pursuant to the preceding sentence, the Seller promptly will remit to the Purchaser the balance due to the Purchaser pursuant to the preceding sentence, plus interest thereon at the rate that interest accrued on the Escrow Amount. If the Actual Net Working Capital is greater than the Estimated Net Working Capital, then the Purchaser promptly will pay the Seller, by wire transfer in immediately available funds, the amount by which the Actual Net Working Capital is greater than the Estimated Working Capital, plus interest accrued thereon at the rate that interest accrued on the Escrow Amount, and the full amount of the Escrow promptly will be paid over to the Seller.

(b) The Actual Net Working Capital will be calculated by the Purchaser and a copy of the calculation thereof (the "Net Working Capital Statement") shall be delivered by the Purchaser to the Seller on the 90th day following the date hereof. All calculations under this Section 2.3 shall be made in accordance with GAAP. The calculation of Actual Net Working Capital shall become final and binding upon the parties on the 15th business day following receipt thereof by the Seller unless the Seller delivers written notice of their disagreement (the "Notice of Disagreement") to the Purchaser prior to such 15th business day. Any Notice of Disagreement shall specify the amounts set forth on the Net Working Capital Statement with which the Seller disagrees. If a Notice of Disagreement is sent by the Seller, then the Actual Net Working Capital (as recalculated in accordance with clause (x) or (y) below) shall become final and binding upon the parties on the earlier of (x) the date the parties resolve in writing any differences they have with respect to any matter specified in the Notice of Disagreement or (y) the date any disputed amounts are finally determined in accordance with the balance of this Section 2. During the 30-day period following the delivery of a Notice of Disagreement, the Seller and the Purchaser shall work together in good faith to resolve in writing any differences which they may have with respect to any amount specified in the Notice of Disagreement or identified by the Purchaser during such 30-day period. If, at the end of such 30-day period, the Seller and the Purchaser have not reached agreement on such amounts, the amounts which remain in dispute shall be recalculated by the Accountants in accordance with GAAP. The Accountants shall allocate their charges equally among the Purchaser and the Seller. Any amounts so recalculated shall be final and binding on the parties.

Section 2.4 Escrow Fund Procedures.

(a) On the date hereof, the Purchaser deposited the Escrow with Branch Banking & Trust Co., as escrow agent (the "Escrow Agent"). The Purchaser and the Seller, without prejudice to any other legal remedy available to it, may obtain payment pursuant to the

terms of the Escrow Agreement (the "Escrow Agreement"), attached hereto as Exhibit A, for the full amount due to such party as provided in Section 2.3(a).

(b) The Escrow Agreement shall terminate, and the Escrow will be disbursed as provided therein, when the parties have agreed as to the amount owing to either party with respect to the Actual Working Capital as provided in Section 2.3(b).

Section 2.5 Office Lease. The Purchaser will sublease from the Seller, pursuant to the executed sublease attached hereto as Exhibit D (the "Sublease") and in reliance on the lessor's consent previously delivered to the Purchaser, the Leased Offices. The Sublease provides that the Purchaser will sublease the Leased Offices for a period of 24 months from the date hereof on the terms, and at the rates, currently set forth in the Office Lease, and provides that the Purchaser has the right to terminate the Sublease prior to the end of such 24-month period by giving the Seller 12 months prior written notice of termination, provided that such notice is given during the first year of the Sublease. If such notice is given, the Purchaser will pay to the Seller a fee of \$35,000, and will continue to pay the monthly rent and all other amounts due on the Sublease for the 12-month period following delivery of such notice, but the Purchaser will have no residual interest in or other obligation for the Office Lease and the Sublease thereupon will terminate. If the Purchaser does not give such termination notice during the first year of the sublease, the term of the Sublease shall automatically be extended for the remaining term of the Office Lease. The Seller will not remove any Leasehold Improvements prior to the end of the Sublease.

Section 2.6 Allocation of Consideration. The Purchaser and the Seller have considered the value of all the Assets, tangible and intangible, and the value of the other rights and obligations, terms and conditions provided by this Agreement in establishing the terms and conditions and types of consideration to be paid or assumed hereunder (the "Consideration"). The Purchaser will allocate the Consideration among the Assets, tangible and intangible, and the other provisions of this Agreement (the "Allocation") on the basis of the fair market value of each of the Assets, tangible and intangible, and each of the other rights and obligations, terms, and conditions provided by this Agreement, in accordance with Section 1060 of the Code, and the regulations promulgated thereunder and similar provisions under the laws of any state or local taxing jurisdiction. The Purchaser will deliver a preliminary version of the Allocation to the Seller within four months after the date hereof for the Seller's review and approval, which shall not be unreasonably withheld, and a final version of such Allocation (reflecting Closing and post-closing adjustments and revisions based on the Seller's reasonable objections to the preliminary version) shall become part of this Agreement for all purposes. The Seller and the Purchaser will report, if and when required, the Allocation of such Consideration, as adjusted, among the assets in a manner consistent with such Allocations.

Section 2.7 Deferred Subscription Obligation. The Purchaser will operate the Publication Business after the Closing and satisfy the Seller's existing obligation to subscribers. For financial reporting and income tax purposes, the Purchaser and the Seller agree that the anticipated cost of satisfying these deferred subscription obligations is an amount equal to 28% of deferred subscription liabilities of the Seller as of the date hereof, as reflected on the books and records of the Seller as of such date in accordance with past practices.

Section 2.8 Limitation of Liabilities Assumed. Except for the assumption of the Assumed Liabilities by the Purchaser as expressly provided in this Agreement, neither the Purchaser nor any of its Affiliates will assume pursuant hereto any liabilities, obligations or duties of the Seller of any kind or nature, whether or not accrued or fixed, absolute or contingent, determined or determinable (including, without limitation, any penalties, fines or compensatory or punitive damages of any kind whatsoever). The Seller will retain any and all such liabilities, obligations or duties other than the Assumed Liabilities expressly assumed by the Purchaser.

Section 2.9 Shared Services. The Seller will provide at no cost to the Purchaser, as reasonably requested by the Purchaser for a transition period not to exceed six months from the date hereof, those services that the Seller shares with its Affiliates to at least the same extent such services have been provided by U.S. News and World Report and other Affiliates of Seller within the past 12 months, including but not limited to: (a) office space in the City of New York for sales, circulation and marketing personnel; (b) advertising sales management in Detroit, Los Angeles and New York; and (c) marketing, promotion, circulation, manufacturing and production, systems, general and administrative and billing, payroll and accounting services. In determining the extent of services that are reasonable for the Purchaser, it is anticipated that the level of effort requested from the Seller's Affiliates will diminish over the length of the transition period as the Purchaser becomes more familiar with the operations of the Publication and assumes more of the operational responsibilities and reflecting the Seller's Affiliates' change in level of authority at the Publication.

ARTICLE III

THE CLOSING

Section 3.1 Closing. The Closing shall take place on the date hereof.

Section 3.2 Procedure.

(a) The sales, purchases, transfers, assumptions, leases and other acts made or taken at Closing will be made or taken, to be effective on the date hereof.

(b) If at any time the Purchaser shall consider or be advised that any further assignment or any other actions are reasonably necessary to vest the title of any property or rights of the Seller in or to the Assets in the Purchaser, the Seller will execute and make all such proper assignments and assurances and do all things reasonably necessary or proper to vest title in such Assets in the Purchaser, to be effective as of the date hereof.

(c) At the Closing, the Seller will deliver to the Purchaser (i) possession of the Assets, (ii) such instruments of transfer as shall be necessary or reasonably requested by the Purchaser to vest in the Purchaser all of the Seller's right, title and interest in to the Assets, and where the Seller owns the Asset good and valid title to the Assets, free and clear of all Encumbrances (except as described elsewhere in this Agreement or the Schedules hereto) and (iii) all other documents necessary to consummate the Purchaser's purchase of Assets hereunder.

(d) At the Closing, the Purchaser will deliver to the Seller (i) such instruments of assumption of the Assumed Liabilities as shall be necessary or reasonably requested by the Purchaser to effect the assumption by the Purchaser of the Assumed Liabilities in accordance with the terms hereof and (ii) an amount equal to the Cash Purchase Price in accordance with Section 2.1.

Section 3.3 Filing. On the date hereof, the Seller will deliver to the Purchaser for filing or recording by the Purchaser any and all documents necessary in order that, at the date hereof, the full legal and equitable title to each of the Assets, free and clear of all Encumbrances, shall be duly vested in the Purchaser.

Section 3.4 Deliveries. On the date hereof, the Seller will deliver to the Purchaser:

(i) a Certificate of Good Standing issued by the Secretary of State of Massachusetts;

(ii) an Opinion of Counsel;

(iii) a certificate executed by an officer of the Seller of non-foreign status satisfying the requirements of Treas. Reg. § 1.1445-2(b)(2)(i);

(iv) an executed release from the Shareholder and the Seller as to all claims arising from or related to the Revolving Credit Agreement dated April 1, 1981 between the Shareholder and the Seller, as amended; and

(v) an assignment of trademarks, substantially in the form of Exhibit E, and an assignment of copyrights, substantially in the form of Exhibit F.

ARTICLE IV

REPRESENTATIONS, WARRANTIES AND AGREEMENTS

Section 4.1 Representations, Warranties and Agreements of the Purchaser. The Purchaser hereby makes the following representations and warranties to the Seller as of the date hereof:

(a) Due Organization and Authority. The Purchaser is a Delaware corporation duly organized, validly existing and in good standing under the laws of Delaware and has all material licenses necessary to carry on its business as now being conducted and is in compliance with the laws of any such state to the extent necessary to ensure the enforceability of the terms of this Agreement. The Purchaser has the corporate power and authority to execute and deliver this Agreement and to perform its obligations in accordance herewith. The execution, delivery and performance of this Agreement (including all instruments of transfer to be delivered pursuant to this Agreement) by the Purchaser and the consummation of the transactions contemplated hereby have been duly and validly authorized. This Agreement evidences the valid, binding and

enforceable obligation of the Purchaser (except, as to enforcement of remedies, as may be limited by applicable bankruptcy, reorganization, insolvency, moratorium, receivership, conservatorship or other laws affecting creditors' rights generally from time to time in effect).

(b) No Conflicts. Neither the execution and delivery of this Agreement or consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement, will conflict with or result in a breach of any of the terms, conditions or provisions of the Purchaser's charter or by-laws or a material breach of any agreement or instrument to which the Purchaser is now a party or by which it is bound, or constitute a material default or result in an acceleration under any of the foregoing.

(c) Ability to Perform. The Purchaser does not believe, nor does it have any reason or cause to believe, that it cannot perform in all material respects each and every covenant contained in this Agreement.

(d) No Consent Required. No consent, notice, approval, authorization or order of any court or governmental agency or body is required for the execution, delivery and performance by the Purchaser of or compliance by the Purchaser with this Agreement.

(e) No Commissions to Third Parties. Except for Richard LePere, the Purchaser has not (i) engaged any broker, agent or other Person in connection with this transaction and (ii) is not responsible for the payment of fees to any broker, agent or other Person in connection with this transaction.

(f) Disclosure. Without limiting any of the representations and warranties contained herein, neither this Agreement nor any exhibit, schedule or certificate delivered to the Seller pursuant hereto contains or will contain any untrue statement of material fact or omits or will omit to state any material fact necessary in order to make the statements herein or therein taken as a whole, in light of the circumstances under which they were made, not misleading.

Section 4.2 Representations and Warranties of the Seller. The Seller makes the following representations and warranties to the Purchaser as of the date hereof.

(a) Due Organization and Authority. The Seller is a Massachusetts corporation, duly chartered, validly existing and in good standing under the laws of Massachusetts, duly qualified to do business as a foreign corporation and in good standing in such states as is necessitated by the nature of its business and has all material licenses necessary to carry on its business as now being conducted and is in compliance with the laws of any such state to the extent necessary to assure the enforceability of the terms of this Agreement. The Seller has the corporate power and authority to execute and deliver this Agreement and to perform its obligations in accordance herewith. The execution, delivery and performance of this Agreement (including all instruments of transfer to be delivered pursuant to this Agreement) by the Seller and the consummation of the transactions contemplated hereby have been duly and validly authorized. This Agreement evidences the valid, binding and enforceable obligation of the Seller (except, as to enforcement of remedies, as may be limited by applicable bankruptcy,

reorganization, insolvency, moratorium, receivership, conservatorship or other laws affecting creditors' rights generally from time to time in effect) in accordance with its terms.

(b) No Conflicts. Except as set forth on Schedule 4.2(b), neither the execution and delivery of this Agreement and the other agreements, instruments and documents referred to herein or the consummation of the transactions contemplated hereby or thereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement, will conflict with or result in a breach of any of the terms, conditions or provisions of the Seller's charter, by-laws or other governing documents or any legal restriction or any material agreement or instrument to which the Seller is now a party or by which it is bound, or constitute a default or result in an acceleration under any of the foregoing, or result in the violation of any law, rule, regulation, order, judgment or decree to which the Seller or its property is subject, the violation of which would impair the value of the Assets or the Publishing Business in a material adverse manner.

(c) Ability to Perform. The Seller does not believe, nor does it have any reason or cause to believe, that it cannot perform in all material respects each and every covenant contained in this Agreement.

(d) Compliance with Applicable Laws; Operating Authorities.

(i) The Publication Business of the Seller is not being conducted in conflict with or violation of, nor has it been conducted in conflict with or violation of, Applicable Laws as in effect at the relevant time except for such conflicts or violations that in the aggregate would not have a material adverse impact on the Seller, the Publication Business, the Assets, the Assumed Liabilities or the performance by the Seller of this Agreement. No investigation or review by any governmental authority concerning or alleging conflicts with or violations of Applicable Law is pending, nor to the Seller's knowledge, is any such investigation threatened (as used in this Agreement, the term "threatened" shall include matters that are, to the Seller's knowledge, under consideration or investigation whether or not any formal demand has been made), nor has any such investigation occurred during the last three years. No governmental authority has delivered any written notice to the Seller asserting or, to the Seller's knowledge, otherwise asserted an intention to conduct any such investigation or review, nor, to the Seller's knowledge, is there any basis for any investigation or review of the type described above.

(ii) The Seller has all material licenses, franchises, permits, orders and authorizations from all governmental authorities necessary for the lawful conduct of its business and all such licenses, franchises, permits, orders and other authorizations are valid and in good standing and are not subject to any suspension, modification or revocation or proceedings related thereto. To the Seller's knowledge, no suspension of any of the foregoing operating rights or cancellation thereof has been initiated or threatened and all filings, applications and registrations with respect to such operating rights are current.

(e) No Consent or Notice Required. No consent, notice, approval, authorization or order of any court or governmental agency or body is required for the execution, delivery and performance by the Seller of or compliance by the Seller with this Agreement.

(f) Ownership.

(i) Except as described elsewhere in this Agreement or the Schedules hereto, the Seller has good and valid title to, or a valid leasehold interest in, the Assets, free and clear of all Encumbrances.

(ii) The Furniture, Fixtures and Equipment and the Leasehold Improvements of the Seller are in good condition, normal wear and tear excepted.

(iii) Schedule 4.2(f) contains an accurate and complete list of all Leasehold Improvements.

(iv) Schedule 4.2(f) contains an accurate and complete list of all Furniture, Fixtures and Equipment.

(g) Assumed Contracts.

(i) Schedule 4.2(g) describes each lease, contract or other agreement to which the Seller is a party (the "Assumed Contracts") and sets forth the other parties thereto.

(ii) Except as set forth on Schedule 4.2(g), each Assumed Contract is a legal, valid and binding obligation of the Seller, and to the knowledge of the Seller, of each other party thereto, enforceable in accordance with its terms (except as enforcement of remedies may be limited by applicable bankruptcy, reorganization, insolvency, moratorium, receivership, conservatorship or other laws affecting creditors' rights generally from time to time in effect), and is in full force and effect.

(iii) Except as set forth on Schedule 4.2(g), the Seller has duly performed in all material respects all of its obligations under the Assumed Contracts to the extent that such obligations to perform have accrued.

(iv) To the Seller's knowledge, there are no allegations or assertions of material breaches, violations or defaults by any other party under any Assumed Contract.

(v) Each Assumed Contract or lease was entered into by the Seller in the ordinary course of business.

(vi) Upon assignment of the Assumed Contracts to the Purchaser as contemplated herein, the Purchaser shall be entitled to the same benefit from the Assumed Contracts as the Seller was entitled prior to such assignment.

(h) Office Lease.

(i) A true, correct and complete copy of the Office Lease has been supplied to the Purchaser.

(ii) The Seller has a valid and enforceable leasehold interest in the Office Lease and such interest is free and clear of all Encumbrances other than those permitted by the terms of the Office Lease. The Office Lease is in full force and effect and is a legal, valid and binding obligation of the Seller, and to the knowledge of the Seller, each other party thereto, enforceable in accordance with its terms (except, as to enforcement of remedies, as may be limited by applicable bankruptcy, insolvency, moratorium, receivership, conservatorship, reorganization or other laws affecting creditors' rights generally from time to time in effect). There are no existing defaults or circumstances which, with notice or the passage of time or otherwise, would constitute defaults under the Office Lease by the Seller or, to the knowledge of the Seller, any other party thereto.

(iii) To the Seller's knowledge, no condemnation proceeding is pending or threatened which would preclude or impair in any material respect the use of any real property subject to the Office Lease for the uses for which it is currently being used.

(i) Financial Statements.

(i) The Seller has furnished the Purchaser with copies of the unaudited financial statements reviewed by PricewaterhouseCoopers for the fiscal year ended December 31, 1998 and the unaudited financial statements for the period ending July 31, 1999 (collectively, the "Financial Statements").

(ii) The Financial Statements: (A) are correct and complete in all material respects and have been prepared in accordance with the books and records of the Seller; (B) have been prepared in accordance with GAAP consistently applied throughout the periods covered; (C) reflect and provide adequate reserves in respect of all known liabilities of the Seller, including all known contingent liabilities, as of their respective dates; and (D) present fairly the consolidated financial condition of the Seller at such date and the results of its operations for the fiscal period then ended.

(iii) The Seller maintains records that accurately, validly and fairly reflect its transactions related to the Publication Business and maintains a system of internal accounting controls, policies and procedures sufficient to ensure that such transactions are executed and recorded in conformity with GAAP and in such a manner as to permit preparation of financial statements in accordance with GAAP and to maintain accountability for assets.

(j) Intellectual Property. Schedule 4.2(j) sets forth a list of all Intellectual Property which is material to the Publication Business. Except as set forth in Schedule 4.2(j), the Company has all necessary right and authority to use, distribute, reproduce and transfer the Intellectual Property listed or described on Schedule 4.2(j) in connection with the conduct of the Publishing Business in the manner and to the extent presently conducted and such use does not conflict with, infringe upon or violate any rights of any other Person. The Seller has acquired the necessary rights required to publish the editorial materials published in the Publication. The Seller does not have any ownership interest in third-party advertising materials. No interference action or other judicial or adversary proceeding concerning any of such items of Intellectual

Property has been initiated and, to the best knowledge of the Seller, no such action or proceeding is threatened.

(k) Absence of Certain Changes. Except as set forth in Schedule 4.2(k), there has not been since July 31, 1999 (i) any material adverse change in the Assets or the Assumed Liabilities or in the operations, properties, prospects condition (financial or otherwise) or results of operations (collectively, a "Material Adverse Change") of the Publication Business, (ii) any increase in the compensation or benefits payable or to become payable by the Seller to the Employees, other than pursuant to normal cost-of-living, normal merit or regularly scheduled increases nor has there been any establishment of any new, or material modification of, any currently existing Plan or (iii) any material adverse change in advertising commitments or revenues or in the levels of new or canceled subscriptions.

(l) Litigation. There is no action, suit, proceeding or investigation (including, but not limited to, any regulatory enforcement actions, letters of consent or takeover actions) pending or, to the Seller's knowledge, threatened against the Seller which, either in any one instance or in the aggregate, would reasonably be expected to result in Material Adverse Change of the Seller or in any material impairment of the right or ability of the Seller to carry on its business substantially as now conducted, or in any material liability on the part of the Seller, or which would draw into question the validity of this Agreement or of any action taken or to be taken in connection with the obligations of the Seller contemplated herein, or which would be likely to impair materially the ability of the Seller to perform its obligations under the terms of this Agreement. Schedule 4.2(l) contains a true, correct and complete list of all suits, claims, actions, investigations or proceedings of any nature by any Person that are pending or, to the Seller's knowledge, threatened by or against the Seller, or to the Seller's knowledge, by or against, any officer, director, employee or agent of the Seller in connection with such officer's, director's, employee's or agent's activities that relate to the Publication Business, the Assets or the Assumed Liabilities.

(m) Commissions to Third Parties. The Seller (i) has not engaged any broker, agent or other Person in connection with this transaction and (ii) is not responsible for the payment of fees to any broker, agent or other Person in connection with this transaction.

(n) Tax Matters.

(i) Returns Filed and Taxes Paid. All Returns with respect to the Assets or income therefrom, the Assumed Liabilities or payments in respect thereof or the operation of the Publication Business that are required to be filed on or prior to Closing have been or will be duly filed on a timely basis. No security interests, liens, encumbrances, attachments or similar interests exist on or with respect to any of the Assets in connection with any failure or alleged failure of the Seller to pay any Taxes due on or prior to Closing.

(ii) Liability for Taxes. The Seller shall be liable for, and shall have the sole authority to file tax returns in connection with, all Taxes imposed on the Assets or the income therefrom, the Assumed Liabilities or payments in respect thereof, or the operation of the business of the Seller or ownership of the Assets or any other Taxes for any period during which

the Seller owned the Assets. The Seller shall be entitled to any Tax refund relating to the Assets to the extent such Tax refund relates to any such period.

(iii) S Corporation Election. The Seller has properly and timely elected to be treated as an "S Corporation" (as defined in Section 1361(a)(1) of the Internal Revenue Code of 1986) for federal income tax purposes and for the purposes of any applicable state and local tax law of any state in which it is qualified to do business. Such elections have not been terminated or revoked by the Seller.

(o) Benefit Plans. Except as set forth in Schedule 4.2(o), there are no contracts or arrangements (regardless of whether they are funded or unfunded) covering Employees, including but not limited to (i) any "employee benefit plan" within the meaning of Section 3(3) of ERISA, (ii) any profit sharing, pension, deferred compensation, bonus, stock option, stock purchase, severance, retainer, consulting, "cafeteria," health, welfare or incentive plan, policy or agreement and any post-employment benefits of any kind, whether or not legally binding, and (iii) any plan or policy providing for "fringe benefits," including, without limitation, vacation, paid holidays, personal leave, employee discount, educational benefit or similar programs (each such contract or arrangement applicable to the Employees, a "Plan").

(p) Labor and Employment Matters. Schedule 4.2(p)(i) sets forth the name of each person who has been a full-time or part-time employee of the Seller during 1999 (the "Atlantic Employees") and, for each such employee, the employee's department, title, annual compensation, hire date and full-time or part-time status, indicating, where applicable, if any such Atlantic Employee has resigned, been terminated or moved to another publication. Schedule 4.2(p)(ii) sets forth the name of each person who has been a full-time or part-time employee shared by the Seller with any affiliates of the Seller during 1999 and, for each such employee, the employee's department, title and approximate percentage of time allocated to the Seller during 1999. Schedule 4.2(p)(iii) sets forth the name and address (if available) of each freelance worker or consultant that has worked for or provided services to the Seller within the past year. With regard to the Publication Business: (i) the Seller is not engaged in, and has not engaged in, any unfair labor practice; (ii) there is no labor strike, dispute, slowdown or stoppage pending or, to the Seller's knowledge, threatened against or affecting the Seller; (iii) no union is currently certified, and no union representation question and no union or other organizational activity that would be subject to the National Labor Relations Act (29 U.S.C. § 151 *et seq.*) exists or, to the Seller's knowledge, is threatened with respect to the Seller's operations; (iv) no grievance or arbitration proceeding arising out of or under collective bargaining agreements is pending and no claims therefor exist or, to the Seller's knowledge, are threatened with respect to the Seller's operations; (v) no collective bargaining agreement exists which is binding on the Seller; (vi) the Seller has not experienced any material work stoppage or other material labor difficulty; (vii) the Seller is not delinquent in any material respect in payments to any of its current or former officers, directors, employees or agents for any wages, salaries, commissions, bonuses, benefits or other compensation for any services performed by them or amounts required to be reimbursed to them; (viii) except as set forth in Schedule 4.2(p)(iv), the Seller has no agreements with any employee that are inconsistent with the status of all employees being "at will" employees; and (ix) except as set forth on Schedule 4.2(p)(v), the Seller has no full-time,

part-time, free lance or consulting employees or workers (or Persons providing similar services) who has any unusual employment, compensation, deferred compensation or retirement agreements, arrangements or understandings, written or oral, with the Seller or any of the Seller's Affiliates.

(q) Insurance.

(i) The Seller has complied with all material obligations under all applicable insurance or guaranty contracts involving the Publication Business. The Seller has not taken any action or failed to take any action which might cause the cancellation or otherwise affect any insurance or guaranty contracts.

(ii) Schedule 4.2(q) sets forth all policies of general liability, theft, life, fire, worker's compensation, health, directors and officers, and other forms of insurance, including bonds, with regard to the Publication Business. All such policies are owned or held by Seller or an affiliate of the Seller, and (A) are in full force and effect and all premiums that are due and payable with respect thereto are currently paid, (B) are sufficient for compliance with all requirements of Applicable Law and of all other agreements to which the Seller is a party and (C) are valid, outstanding and enforceable policies (except as enforcement of remedies may be limited by applicable bankruptcy, reorganization, insolvency, moratorium, receivership, conservatorship or other laws affecting creditors' rights generally from time to time in effect). No insurer under any such policy or bond has canceled or indicated an intention to cancel or not to renew any such policy or bond or generally disclaimed liability thereunder. To the Seller's knowledge, the Seller is not in default under any such policy or bond and all material claims thereunder have been filed in a timely fashion. The Seller, during the last three fiscal years has not been denied or had revoked or rescinded any policy of insurance.

(r) Disclosure. The Seller has disclosed to the Purchaser all information that is material to a decision to proceed with the transactions contemplated by this Agreement. This Agreement (including the schedules), the other documents referred to herein and the responses to the due diligence request list set forth on Schedule 4.2(r) do not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained herein and therein not misleading.

(s) Technology; Software.

(i) Schedule 4.2(s)(i)(A) contains a true and complete list and description of each of the electronic data processing, communications, telecommunications, disaster recovery services and other computer systems which are material to the operation of the Publication Business (collectively, the "Technology Systems"), including (X) a description of any computer hardware and Software owned or leased by the Seller that is used in the operation of the Technology Systems and (Y) a list of any contracts pursuant to which the Seller is granted rights which are used in the operation of the Technology Systems, including Software licenses and similar agreements. Schedule 4.2(s)(i)(B) contains a true and complete list of the Technology Systems that are included in the definition of Assets. The Technology Systems are in good condition, normal wear and tear excepted, and as of the date hereof perform their

functions as used by the Seller in connection with the operation of the Publication Business over the past three months.

(ii) Schedule 4.2(s)(ii)(A) contains a complete list and description of the Software which is material to the operation of the Publication Business (whether owned or leased by the Seller or provided under any agreement or other arrangement with a third party for data processing services). Schedule 4.2(s)(ii)(B) contains a true and complete list of the Software that is included in the definition of Assets. The Software is in good condition, normal wear and tear excepted, and performs its functions as used by the Seller in connection with the operation of the Publication Business.

(iii) All of the material computer software, computer firmware, computer hardware (whether general or special purpose), and other similar or related items of automated, computerized, and/or software system(s), that are used or relied on by the Seller, or any third party that is material to the Seller's Publication Business including but not limited to material suppliers, vendors, distributors or customers, is consistent with general industry standards, and the Seller has no reason to believe that such software, firmware or hardware will malfunction, cease to function, generate incorrect data, or produce incorrect results when calculating, comparing, sequencing, processing, providing, and/or receiving (i) date-related data into and between the twentieth and twenty-first centuries or (ii) date-related data in connection with any valid date in the twentieth and twenty-first centuries.

(t) Financial Condition of the Seller. The Seller is not subject to any bankruptcy proceedings or otherwise in receivership or conservatorship. The consummation of the transactions contemplated by this Agreement will not render the Seller insolvent.

(u) Conduct of the Publication Business. Except as set forth in Schedule 4.2(u), from May 31, 1999 until the date of this Agreement, the Seller: (1) has conducted its Publication Business only in the ordinary course of business, in accordance in all material respects with Applicable Law; (2) has used all commercially reasonable efforts to preserve intact the Publication Business and beneficial relationships with Publication Business customers, suppliers, licensors, licensees and all Persons having business dealings with the Seller's Publication Business; (3) has followed the same general practices and standards as have been applied in the past; (4) has not restructured the Publication Business or entered into any transaction with respect to any of the Assets or Assumed Liabilities or made any commitment with respect to the Assets or Assumed Liabilities except in the ordinary and usual course of business consistent with past practice. Except as otherwise specifically provided in this Agreement, from May 31, 1999, the Seller has not:

(i) taken any action other than as required by Applicable Law impairing the Purchaser's material rights in any Assumed Contract or Asset or that would otherwise reasonably be expected to result in a Material Adverse Change in the Publication Business;

(ii) engaged in any activities other than the Publication Business;

(iii) agreed to do any of the things prohibited pursuant to this Section 4.2(u); or

(iv) caused or permitted any of the things prohibited pursuant to this Section 4.2(u) to occur.

ARTICLE V

COVENANTS OF THE SELLER AND THE PURCHASER

Section 5.1 Noncompetition.

(a) During the period beginning on the date hereof and ending on the date one year following the date hereof, neither the Seller, the Shareholder nor any Affiliate of the Seller or the Shareholder will, without the prior written consent of the Purchaser, acquire or create a publication substantially identical to the Publication.

(b) The Seller and the Shareholder agree that, for a period of two years from the date hereof, neither the Seller nor the Shareholder nor any of their Affiliates will, directly or indirectly, (i) induce or attempt to induce any Atlantic Employee to leave the employ of the Purchaser or any of its Affiliates or (ii) employ within such two-year period any Atlantic Employee without the prior written permission of the Purchaser. The provisions of this Section 5.1(b) will not preclude the Seller, the Shareholder or any of their affiliates from employing any Atlantic Employee who: (i) is not an Offeree Employee; (ii) who is an Offeree Employee but declines the Purchaser's offer of employment, provided that such Offeree Employee is not offered employment by the Seller, the Shareholder or any of their affiliates for a period of at least six months after the date hereof; (iii) whose employment is terminated by the Purchaser; or (iv) who voluntarily resign their employment following a decision by the Purchaser to move the Publishing Business to a site more than 50 miles from its current location.

(c) The Seller and the Shareholder acknowledge that the restrictions and agreements contained in this Section 5.1 are reasonable and necessary to protect the legitimate interests of the Purchaser, and that any violation of this Section 5.1 will cause substantial and irreparable injury to the Purchaser that would not be quantifiable and for which no adequate remedy would exist at law and agrees that injunctive relief, in addition to all other remedies, shall be available therefor.

(d) It is the intent and understanding of each party hereto that if, in any action before any court or agency legally empowered to enforce this Section 5.1, any term, restriction, covenant, or promise is found to be unreasonable and for that reason unenforceable, then such term, restriction, covenant, or promise shall not thereby be terminated but that it shall be deemed modified to the extent necessary to make it enforceable by such court or agency and, if it cannot be so modified, that it shall be amended to delete therefrom any provisions or portion adjudicated to be invalid or unenforceable, such modification or amendment in any event to apply only with respect to the operation of this Section 5.1 in the particular jurisdiction in which such adjudication is made.

(e) All lists, including but not limited to, customer, client and subscription lists, data and other information and records regarding past or current subscribers and other customers of the Publication Business, including but not limited to all related Records, applications and credit and bad debt files (collectively, the "Subscriber Information"), whether in written or electronic form, shall be the exclusive property of the Purchaser on and after the date hereof. Neither the Seller nor the Shareholder nor any Affiliate of the Seller or the Shareholder shall retain after the date hereof any copies of Subscriber Information, in any form whatsoever, and none of the Seller nor the Shareholder nor any Affiliate of the Seller or the Shareholder shall copy, distribute, extract, disseminate, create derivative works or in any way use such Subscriber Information after the date hereof.

Section 5.2 Confidentiality. Except as necessary to carry out the transactions contemplated by this Agreement or except to the extent that disclosure is required by Applicable Law or regulatory policy, all information or documents including, but not limited to, information concerning business procedures, finances, policies and plans of the other party ("Information") furnished thereunder by any party to any other party will be kept confidential by the party to whom it is furnished (and such party shall use reasonable efforts to cause its agents and representatives to maintain the confidentiality of such documents) and in the event such transactions are not consummated, each will return to the other all Information furnished thereunder and shall not thereafter use the same for any purpose, except to the extent: (i) it was known by such other party without breach of any obligation of confidentiality prior to being received; (ii) it is or thereafter becomes lawfully obtainable from other sources; (iii) it is necessary to disclose the same to any governmental authority having jurisdiction over the parties or their Affiliates or as otherwise may be required by Applicable Law (the party intending to make disclosure in such circumstances shall give the other parties prompt notice (unless prohibited by Applicable Law) prior to making such disclosures so that such other parties may seek a protective order or other appropriate remedy prior to such disclosure); or (iv) such duty of confidentiality is waived in writing by the other party. Each party agrees that copies of the Information may be kept by the other party in case any dispute arises between the parties and may be used in any related litigation or arbitration. The provisions of this Section 5.2 shall survive Closing.

Section 5.3 Employment.

(a) The Purchaser may offer employment to such Atlantic Employees as the Purchaser, in its discretion shall determine, but will have no obligation to employ, or to extend offers of employment to, any personnel of the Seller. As of the date hereof, the Purchaser intends to offer employment to be effective on the date hereof to the Atlantic Employees set forth on Schedule 5.3(a) (the "Offeree Employees"). The Purchaser will offer each such Atlantic Employee that Purchaser employs a position having responsibilities substantially similar to those presently held by such employee, at a salary comparable to that currently applicable to such employee, with such benefits as the Purchaser shall determine. The Seller will retain all liability and obligation, if any (including, without limitation, the liability and obligation for all wages, salary, severance (except as provided in Section 5.3(d)), vacation pay (except to the extent such vacation pay constitutes an Assumed Liability) and unemployment, medical, dental, health and

disability benefits), and promptly satisfy, discharge and fulfill all such obligations, for: (i) those former employees of the Seller who retired or terminated employment prior to the date hereof; (ii) any current employee of the Seller who is not an Offeree Employee or who does not accept employment with the Purchaser (other than the obligation to pay Severance to any such employee, which is covered by Section 5.3(d), and accrued vacation, which is covered by Section 5.3(b)); (iii) any employee of the Seller who accepts employment with the Purchaser to the extent that any claims arise out of or relate to acts, omissions or employment prior to the date hereof; and (iv) William Whitworth. The Seller will remain responsible for the payment of all benefits accrued through the date hereof to participants or retirees in accordance with the terms of the Seller's retirement or benefit plans and policies. The Purchaser will not at any time assume any liability for the benefits of any active or any terminated, vested or retired participants in the Seller's retirement plans. The Seller will pay (i) all bonuses and sales commissions to employees of the Seller pursuant to the terms of the Seller's bonus and commission plans (calculated pro rata through the date hereof and based on the Seller's annual sales budget) and (ii) the employer portion of any related payroll tax.

(b) The Purchaser will credit Offeree Employees who accept employment under the Purchaser's vacation plan with such vacation time as may have been accrued as of the date hereof in the Seller's employ. Except for Assumed Liabilities, the Purchaser shall not at any time assume any liability with respect to the Seller's Plans.

(c) The Seller will provide any employee whose "qualifying event", within the meaning of Section 4980B(f) of the Code, occurs on or prior to the date hereof (and such employee's "qualified beneficiaries" within the meaning of Section 4980B(f) of the Code) with the continuation of group health coverage required by Section 4980B(f) of the Code ("Continuation Coverage") under the terms of the health plan maintained by the Seller. The Purchaser will provide Continuation Coverage to Offeree Employee who accepts employment with the Purchaser (and such employee's qualified beneficiaries) and whose qualifying event occurs after the date hereof only to the extent required by Applicable Law.

(d) The Purchaser will assume the cost of severance payments, up to a maximum of two-weeks salary for each past year of employment capped at 26 weeks, for each Atlantic Employee who was employed by the Seller on the date hereof and who is not an Offeree Employee (such severance payments, the "Severance"). The Seller and the Purchaser will cooperate and exercise mutual commercially reasonable best efforts to secure acceptance by each such non-Offeree Employee of the Severance and a full release of the Seller and the Purchaser from liability with respect to employment, severance or related obligations. Whether or not any such release is obtained pursuant to the preceding sentence, the Purchaser will remain liable to pay Severance as provided in the first sentence of this Section 5.3(d).

(e) The Purchaser will credit each Offeree Employee hired by the Purchaser pursuant to Section 5.3(a) above with the years of service such employee had accumulated with the Seller for all benefits purposes other than severance.

(f) No present, former or future employee or contractor of the Purchaser or the Seller shall be treated as a third-party beneficiary in or under this Agreement.

(g) The Purchaser agrees that, for a period of two years from the date hereof, neither the Purchaser nor any of its Affiliates will, directly or indirectly, (i) induce or attempt to induce any employee of a publication primarily owned by Shareholder ("Shareholder Employee") to leave the employ of his employer, or (ii) employ within such two-year period any Shareholder Employee, without the prior written permission of the Shareholder. The provisions of this Section 5.3(g) will not preclude the Purchaser or any of its affiliates from employing any Shareholder Employee (i) whose employment is terminated by his employer or (ii) who voluntarily resigns from his employment following a decision by the Shareholder to move the publication employing the Shareholder Employee to a site more than 50 miles from its current location.

Section 5.4 Distribution Rights. The Shareholder and the Seller will grant or cause to be granted to the Purchaser or, at the discretion of the Purchaser, one or more of its Affiliates, at no cost to the Purchaser or such Affiliate or Affiliates as the case may be, an exclusive license covering all electronic distribution rights, and a non-exclusive license covering print distribution rights, to (a) U.S. News & World Report, Inc.'s "Best Hospital Guide" and "Best HMO Guide" and all associated articles and rankings (the "Guides"), to the extent such materials are published by U.S. News & World Report, Inc., and (b) such of the underlying information and raw data used to create the listings in the Guides, but only to the extent that the Shareholder or the Seller have the legal right to grant such licenses, as is necessary to recreate the same level of data and functionality as is available to U.S. News & World Report, Inc. The non-exclusive license covering print distribution rights is limited solely to marketing and promotional collateral materials used by the Purchaser and its Affiliates in promoting the presence of the Guides on their websites. The Purchaser and its Affiliates will have the right during the term of the license and, solely in connection therewith, to use the U.S. News & World Report trademarks and logos to promote and market the materials licensed hereunder, subject to the consent of the Shareholder or U.S. News & World Report, Inc., which will not be unreasonably withheld. The term of the license shall be five years, commencing on the date hereof. Notwithstanding the exclusive license concerning electronic distribution rights, U.S. News & World Report, Inc. will retain the right to distribute the Guides on its website.

Section 5.5 Further Assurances; Post-Closing Information.

(a) Each party hereto will execute and deliver such instruments and take such other actions as the other party may reasonably require in order to consummate the transactions contemplated by this Agreement.

(b) From time to time after the Closing, the parties hereto will deliver to each other such information and data as any party may reasonably request, including (without limitation) that required to enable such party to complete and file all Federal, state and local forms that may be required to be filed by it and to complete all customary Tax and accounting

procedures and otherwise to enable such Party to satisfy its internal accounting, Tax and other requirements.

(c) Each party hereto will use its commercially reasonable best efforts to cooperate in a complete, diligent and timely manner to provide the other party with such compensation, service, payroll and other pertinent census data as may be required for purposes of (i) filing tax returns or (ii) calculating or affecting distribution of benefits to which any employee or former employee of the Seller may be entitled.

(d) In addition to, and not in limitation of any other provisions of this Agreement, with respect to Intellectual Property, the Seller will take all actions necessary to transfer and assign to the Purchaser all of the Seller's right, title and interest in and to the Intellectual Property, including, without limitation, (i) changing the name of the Seller on the date hereof by taking necessary corporate action and filing appropriate documents with the Secretary of State of Massachusetts and ceasing all post-Closing use of such name and (ii) executing appropriate assignments and registrations with respect to the Intellectual Property and ceasing all post-Closing use of such Intellectual Property (including as appropriate assignments of copyrights and trademarks in the forms set forth as Exhibits B and C, respectively.

(e) The Purchaser will not settle any accounts receivable included in the Assets for any amount less than the full amount without the prior written consent of the Seller. On the 90th day after the date hereof, the Purchaser will assign all accounts receivable that remain unpaid to the Seller, and the Seller will pay the Purchaser, by wire transfer of immediately available funds, the full amount thereof.

(f) The Purchaser will retain all Records delivered to it by the Seller, including those that relate to tax returns for periods ending on or prior to the date hereof for a period of six years, and will provide to the Seller reasonable access to such Records as may be necessary in connection with any audit of any such tax period or for any other bona fide business purpose.

(g) The Purchaser will provide health care coverage to all former Atlantic Monthly employees it employs, effective November 1, 1999. During the period from the Closing through October 31, 1999, former Atlantic Monthly employees employed by the Purchaser may elect to be covered under the Seller's group medical and dental plans under the same terms and conditions as former employees under COBRA. For the month of October 1999, the Purchaser will pay the applicable COBRA premiums for former Atlantic Monthly employees who are employed by the Purchaser. Should aggregate medical claims incurred from the closing date through October 31, 1999 by former Atlantic Monthly employees listed on Schedule 5.5(g) who are employed by the Purchaser plus aggregate dental claims incurred from the Closing through October 31, 1999 by all former Atlantic Monthly employees employed by the Purchaser exceed 98.1% of the COBRA premiums paid by the Purchaser for dental coverage for all former Atlantic Monthly employees employed by the Purchaser and for medical coverage for former Atlantic Monthly employees listed on Schedule 5.5(g), the Purchaser shall pay the Seller such excess

amount. Such excess amount shall not include claims for which Atlantic Monthly receives reimbursement under its specific medical reinsurance stoploss coverage.

(h) Former Atlantic Monthly employees employed by the Purchaser will be offered all other COBRA benefits required by law, including, but not limited to COBRA for health care flexible spending accounts.

(i) The Seller will maintain certain bank accounts on behalf of the Purchaser from the Closing through October 1, 1999 (the "Account Transition Period"). The Seller will maintain BancOne account #69535233 for purposes of accepting subscription deposits, and BancOne account #69535241 for purposes of paying subscription refunds. The Seller will transfer to the Purchaser the net cash received in these accounts during the Account Transition Period by wire transfer in immediately available funds by October 8, 1999. The Seller will provide a detailed accounting of transactions in the accounts during the Account Transition Period by October 8, 1999.

(j) The Seller will provide basic business services for the Boston office until comparable services can be established, but in no event longer than ten business days. The Purchaser will reimburse the Seller for the actual cost of these services.

(k) In the event that during calendar year 2000 Daimler-Chrysler does not purchase a minimum of nine pages of advertising to sponsor the "Arts and Entertainment" advertising section of the Publication (A and E advertising) at a rate that is 1% above the rate paid by Daimler-Chrysler for similar advertising during calendar year 1999, the Seller will pay to the Purchaser, within 15 business days after receiving notice from the Purchaser, an amount equal to the difference between (a) the net profit that would have been realized by the Purchaser had the nine pages of A and E Advertising been purchased and (b) the net profit realized from the actual amount of A and E Advertising actually purchased by Daimler-Chrysler in calendar year 2000.

ARTICLE VI

REMEDIES AND INDEMNIFICATION

Section 6.1 Remedies for Breach of Representations and Warranties of the Purchaser.

The representations and warranties set forth in Section 4.1 and the covenants and agreements of the Purchaser contained in this Agreement shall survive the Closing and the sale of the Assets and transfer of the Assumed Liabilities to the Purchaser and shall inure to the benefit of the Seller after the date hereof.

Upon the earlier of either discovery by or notice to the Purchaser of any breach or non-performance of any of the Purchaser's covenants and agreements contained in this Agreement, the Purchaser will use its commercially reasonable best efforts promptly to cure such breach or non-performance in all material respects within 30 days of such discovery or notice.

The Purchaser will indemnify the Seller and hold it harmless against all losses, damages, penalties, fines, forfeitures, legal fees (including allocated costs of in-house counsel) and related costs, judgments, and other costs and expenses (hereinafter "Losses") resulting from any claim, demand, defense or assertion based on, or grounded upon, or resulting from, (i) a material breach of the Purchaser's representations and warranties contained in Section 4.1 or (ii) conduct of the Publication Business by the Purchaser on or after the date hereof.

Section 6.2 Remedies for Breach of Representations and Warranties and Other Obligations of the Seller.

The representations and warranties set forth in Section 4.2 and the covenants and agreements of the Seller contained in this Agreement shall survive the Closing and the sale of the Assets and transfer of the Assumed Liabilities to the Purchaser and shall inure to the benefit of the Purchaser and its successors and assigns after the date hereof.

Upon the earlier of either discovery by or notice to the Seller of any breach or non-performance of any of the Purchaser's covenants and agreements contained in this Agreement, the Seller will use its commercially reasonable best efforts promptly to cure such breach or non-performance in all material respects within 30 days of such discovery or notice.

The Seller will indemnify the Purchaser and hold it harmless against, and shall reimburse it for, all Losses resulting from any claim, demand, defense or assertion based on, or grounded upon, or resulting from: (i) a material breach of the Seller's representations and warranties contained in Section 4.2, (ii) any liabilities of, claims against, or obligations of the Seller (whether absolute, accrued, contingent or otherwise, including, without limitation, any Tax Claim asserted against the Purchaser with respect to any taxes relating to the operation of the Seller) that is not a liability expressly assumed by the Purchaser pursuant to this Agreement or (iii) conduct of the Publication Business by the Seller on or prior to the date hereof.

Section 6.3 Indemnification Procedures. To exercise its indemnification rights under this Article 6 as a result of the assertion against it of any claim or potential liability for which indemnification is provided, the party seeking indemnification (the "Indemnified Party") will promptly notify the other party (the "Indemnifying Party") of the assertion of such claim, discovery of any such potential liability or the commencement of any action or proceeding in respect of which indemnity may be sought hereunder; provided, however, that any failure to give promptly such notice shall not affect the Indemnified Party's rights hereunder except to the extent that such failure shall adversely affect the Indemnifying Party or its rights hereunder. The Indemnified Party will advise the Indemnifying Party of all facts relating to such assertion within the Indemnified Party's knowledge and will afford the Indemnifying Party the opportunity, at its sole cost and expense, to defend against such claims for liability. In any such action or proceeding, the Indemnified Party will have the right to retain its own counsel, but the fees and expenses of such counsel shall be at its own expense unless (i) both parties mutually agree to the retention of such counsel or (ii) the named parties to any such suit, action or proceeding (including any impleaded parties) include both the Seller and the Purchaser, and in the reasonable judgment of a nationally-recognized law firm that has no affiliation with either the

Purchaser or the Shareholder, representation of both parties by the same counsel would be inadvisable due to actual or potential differences or conflicts of interest between them. The indemnifying party will be directly responsible for the payment of all costs and expenses and any award, judgment or settlement which may become due as a result of such claim; provided, however, that the Indemnifying Party will not be liable for any settlement effected without its consent. The Indemnifying Party will not be entitled to settle, compromise, decline to appeal or otherwise dispose of any such claim without the consent or agreement of the Indemnified Party (which consent will not be unreasonably withheld or delayed), but which may be denied by the Indemnified Party because, among other reasons, it reasonably believes in good faith that such settlement, compromise or other disposition is likely to have a material adverse impact on the Indemnified Party or the Publication Business. If there is any dispute as to the reasonableness of the Indemnified Party's belief that any such settlement, compromise or other disposition is likely to have a material adverse impact on the Indemnified Party or the Publication Business, the parties hereto agree to engage the services of a nationally-recognized law firm that has no affiliation with either the Purchaser or the Seller to evaluate the reasonableness of the Indemnified Party's belief.

Section 6.4 No Effect of Knowledge. The obligations of the Seller under this Agreement for the breach of any representation or warranty made by the Seller hereunder shall not be affected in any manner or to any extent by any knowledge obtained by (or which could have been obtained by) the Purchaser prior to the date hereof, whether in the course of the Purchaser's due diligence activities or otherwise.

Section 6.5 Limitations on the Purchaser's Indemnification. The Seller's right to indemnification pursuant to this Agreement is subject to the following limitations:

(a) General Warranty Claims of the Seller. The Seller shall not be entitled to assert any right of indemnification under this Agreement for any Losses suffered by the Seller arising from a breach by the Purchaser of any representation or warranty contained in Section 4 of this Agreement ("General Warranty Claims of the Seller") after the second anniversary hereof, except that if there shall then be pending any dispute, claim, proceeding or action involving a General Warranty Claim of the Seller under this Agreement, the Seller shall continue to have the right to be indemnified with respect to such claim.

(b) Basket. The Seller may not make any claim for indemnification under this Agreement with respect to any General Warranty Claims of the Seller until the aggregate amount of Losses incurred or sustained by the Seller with respect to such claims exceeds \$150,000 (the "Basket"), in which case all such Losses shall be indemnifiable (including those Losses included for purposes of exceeding the Basket amount).

Section 6.6 Limitations on the Seller's Indemnification. The Purchaser's right to indemnification pursuant to this Agreement is subject to the following limitations:

(a) Taxes. The Purchaser shall not be entitled to assert any right of indemnification under this Agreement for any Losses suffered by the Purchaser arising from a breach of the representations or warranties contained in Section 4.2(n) of this Agreement ("Tax

Claims”) after the expiration of the applicable statute of limitations (including any extensions thereof) and final determination and payment of any and all deficiencies which have theretofore been asserted by the appropriate taxing authorities with respect to the tax liabilities of the Seller relating to the Publication Business prior to the date hereof.

(b) General Warranty Claims of the Purchaser. The Purchaser shall not be entitled to assert any right of indemnification under this Agreement for any Losses suffered by the Purchaser arising from a breach by the Seller of any representation or warranty contained in Section 4 of this Agreement (“General Warranty Claims of the Purchaser”) after the second anniversary date of the date hereof, except that if there shall then be pending any dispute, claim, proceeding or action involving a General Warranty Claim of the Purchaser under this Agreement, the Purchaser shall continue to have the right to be indemnified with respect to such claim.

(c) Basket. The Purchaser may not make any claim for indemnification under this Agreement with respect to any General Warranty Claims of the Purchaser until the aggregate amount of Losses incurred or sustained by the Purchaser with respect to such claims exceeds \$150,000 (the "Basket"), in which case all such Losses shall be indemnifiable (including those Losses included for purposes of exceeding the Basket amount).

ARTICLE VII

MISCELLANEOUS PROVISIONS

Section 7.1 Assignability. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

Section 7.2 Cooperation; Further Documents. To the extent reasonably practicable, the parties hereto shall cooperate with and assist each other, as requested, in carrying out the purposes of this Agreement. The Purchaser and the Seller will execute any and all other documents and to take such action as may in the exercise of reasonable judgment be necessary to carry out the terms hereof.

Section 7.3 Survival. All representations, warranties, covenants and obligations in this Agreement and any other certificate or document delivered pursuant to this Agreement shall survive the Closing.

Section 7.4 Publicity. The Purchaser and the Seller will consult with each other with regard to the terms and substance of any and all press releases, announcements or other public statements with respect to the transactions contemplated hereby. None of the parties hereto will release any such press release, announcement or other public statement without the prior written approval of the other parties, unless such party reasonably concludes that such release is required by Applicable Law and the parties cannot reach agreement upon a mutually acceptable form of release, in which event the party releasing the information, announcement or public statement shall not be deemed to be in breach of this Agreement. The parties agree further that such approval will not be unreasonably withheld and they will make a good faith effort to reach

agreement expeditiously on the terms of any such press release, announcement or other public statement.

Section 7.5 Notices. All demands, notices and communications hereunder shall be in writing and shall be deemed to have been duly given if mailed, by registered or certified mail, return receipt requested, or, if by other means, when received by the other party at the following address, or such other address as may hereafter be furnished to the other party by like notice:

THE PURCHASER: ATMO Acquisition Corporation
c/o The Advisory Board Company
600 New Hampshire Avenue, N.W.
Washington, D.C. 20037

with a copy to: Steven R. Finley
Gibson, Dunn & Crutcher LLP
200 Park Avenue
New York, NY 10166

THE SELLER: The Atlantic Monthly Company
450 West 33rd Street
New York, NY 10001
Attention: Kim Jensen

with a copy to: Marty Krall
c/o The Daily News
450 West 33rd Street
New York, NY 10001-2681

or, as to each party at such other address as shall be designated by such party in a written notice to the other party complying as to delivery with the terms of this Section 7.5.

Any such demand, notice or communication hereunder shall be deemed to have been received on the date delivered to or received at the premises of the addressee (as evidenced, in the case of registered or certified mail, by the date noted on the return receipt; in the case of overnight delivery service, by the date such delivery was acknowledged at the premises of the addressee; and in the case of facsimile transmission, the date of confirmation of such transmission).

Section 7.6 Incorporation. All Exhibits and Schedules attached hereto and to which reference is made herein are incorporated by reference as if fully set forth herein.

Section 7.7 Severability Clause. If any provision of this Agreement, or the application thereof to any Person, place or circumstance, shall be held by a court of competent jurisdiction to be invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other Persons, places and circumstances shall remain in full force and effect.

Section 7.8 Counterparts. This Agreement may be executed simultaneously in any number of counterparts. Each counterpart shall be deemed to be an original, and all such counterparts shall constitute one and the same instrument.

Section 7.9 Governing Law. The Agreement shall be construed in accordance with the laws of the State of New York, and the obligations, rights and remedies of the parties hereunder shall be determined in accordance with the laws of the State of New York.

Section 7.10 Entire Agreement; Amendment. This Agreement contains the entire understanding of and all agreements between the parties hereto with respect to the subject matter hereof and supersedes any prior or contemporaneous agreement or understanding, oral or written, pertaining to any such matters, which agreements or understandings shall be of no force or effect for any purpose. This Agreement may not be amended or supplemented in any manner except by mutual agreement of the parties hereto and as set forth in a writing signed by the parties hereto or their respective successors in interest.

Section 7.11 Waivers. The waiver of any breach of any provision of this Agreement by any party shall not be deemed to be a waiver of any preceding or subsequent breach under this Agreement. No such waiver shall be effective unless in writing.

Section 7.12 Expenses. Unless specifically provided otherwise in this Agreement, each party shall bear and pay all costs and expenses which it incurs, or which may be incurred on its behalf, in connection with the preparation of this Agreement and consummation of the transactions described herein, including the expenses, fees and costs necessary to obtain the Required Approvals and any other approvals of the appropriate governmental authorities. In the event of termination of this Agreement, no party hereto shall have any obligation to pay on behalf of or to reimburse any other party for any fees, costs or expenses whatsoever.

Section 7.13 Shareholder Guaranty. The Shareholder hereby absolutely, unconditionally and without limit guarantees to the Purchaser the full and timely performance of the obligations of the Seller under this Agreement. The Purchaser may proceed directly against the Shareholder to collect and recover the full amount of any liability hereunder without proceeding against the Seller or any other person. The Shareholder's obligations under this Section 7.13 shall not be subject to the defense that such obligations are invalid or unenforceable as against the Shareholder. This Agreement may be amended without in any way releasing or discharging the liability of the Shareholder hereunder.

Section 9.15 Transaction Taxes. The parties agree to share equally the burden of any excise, sales, use and transfer taxes that are payable or that arise as a result of the transactions contemplated by this Agreement.

Section 7.15 General Interpretive Principles. For purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) the terms defined in this Agreement have the meanings assigned to them in this Agreement and include the plural as well as the singular, and the use of any gender herein shall be deemed to include the other gender;

(b) accounting terms not otherwise defined herein have the meanings assigned to them in accordance with GAAP;

(c) references herein to "Articles", "Sections", "Subsections", "Paragraphs", and other subdivisions without reference to a document are to designated Articles, Sections, Subsections, Paragraphs and other subdivisions of this Agreement;

(d) a reference to a Subsection without further reference to a Section is a reference to such Subsection as contained in the same Section in which the reference appears, and this rule shall also apply to Paragraphs and other subdivisions;

(e) the words "herein", "hereof", "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular provision; and

(f) the term "include" or "including" shall mean by reason of enumeration.

Section 7.16 Headings. The headings used in this Agreement are inserted for purposes of convenience of reference only and shall not limit or define the meaning of any provisions of this Agreement.

Section 7.17 Third Parties. Each party hereto intends that this Agreement shall not benefit or create any right or cause of action or remedy of any nature whatsoever in any Person other than the parties to this Agreement.

Section 7.18 Arbitration.

(a) Any controversy or claim between the Purchaser and the Seller or the Shareholder arising out of or relating to this Agreement or any agreements or instruments relating hereto or delivered in connection herewith, including, but not limited to a claim based on or arising from an alleged tort, will, at the request of any party be determined by arbitration, except as otherwise provided herein. The arbitration shall be conducted before a single arbitrator in Washington, D.C., in accordance with the United States Arbitration Act (Title 9, U.S. Code), notwithstanding any choice of law provision in this Agreement, and under the Commercial Rules of the American Arbitration Association. The arbitrator shall give effect to statutes of limitation in determining any claim. Any controversy concerning whether an issue is arbitrable shall be determined by the arbitrator. The award rendered by the arbitrator shall set forth in writing the reasons for the award, which shall be final, and judgment upon the arbitration award may be entered in any court having jurisdiction thereof. The institution and maintenance of an action for

judicial relief or pursuit of a provisional or ancillary remedy shall not constitute a waiver of the right of any party, including the plaintiff, to submit the controversy or claim to arbitration if any other party contests such action for judicial relief.

(b) In any arbitration proceeding, the arbitrator is authorized to apportion costs and expenses, including investigation, legal and other expense, which will include, if applicable, a reasonable estimate of allocated costs and expenses of in-house counsel and legal staff. Such costs and expenses are to be awarded only after the conclusion of the arbitration and will not be advanced during the course of such arbitration.

IN WITNESS WHEREOF, the Purchaser, the Seller and the Shareholder have caused their names to be signed hereto by their respective officers thereunto duly authorized as of the date first above written.

ATMO ACQUISITION CORPORATION ("THE PURCHASER")

By:  _____

Name: Jeffrey Zients

Title: Executive Vice President

THE ATLANTIC MONTHLY COMPANY ("THE SELLER")

By: _____

Name: _____

Title: _____

As to Sections 2.1(b), 2.3(a), 5.1, 5.4 and 7.13 only,

Name: Mortimer B. Zuckerman

IN WITNESS WHEREOF, the Purchaser, the Seller and the Shareholder have caused their names to be signed hereto by their respective officers thereunto duly authorized as of the date first above written.

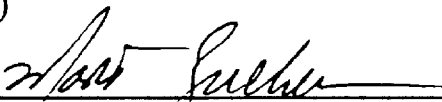
ATMO ACQUISITION CORPORATION ("THE PURCHASER")

By: _____

Name: _____

Title: _____

THE ATLANTIC MONTHLY COMPANY ("THE SELLER")

By: 

Name: Mortimer Zuckerman

Title: Chairman

As to Sections 2.1(b), 2.3(a), 5.1, 5.4 and 7.13 only,



Name: Mortimer B. Zuckerman

SCHEDULES AND EXHIBITS

Schedule 1.1	Accounts Receivable
Schedule 1.4	Assets
Schedule 1.3	Assumed Liabilities
Schedule 1.8	Excluded Assets
Schedule 4.2(b)	Conflicts
Schedule 4.2(f)	Furniture, Fixtures and Equipment; Leasehold Improvements
Schedule 4.2(g)	Assumed Contracts
Schedule 4.2(j)	Intellectual Property
Schedule 4.2(k)	Adverse Changes in Publication Business
Schedule 4.2(l)	Litigation
Schedule 4.2(o)	Benefit Plans
Schedule 4.2(p)(i)	Atlantic Employees
Schedule 4.2(p)(ii)	Non-Atlantic Employees
Schedule 4.2(p)(iii)	Freelance Workers
Schedule 4.2(p)(iv)	Employment Agreements
Schedule 4.2(p)(v)	Employees with Unusual Employment Arrangements
Schedule 4.2(q)	Insurance
Schedule 4.2(r)	Responses to the Due Diligence Request List
Schedule 4.2(s)(i)(A)	Technology Systems
Schedule 4.2(s)(i)(B)	Technology Systems used in the Publishing Operations
Schedule 4.2(s)(ii)(A)	Software
Schedule 4.2(s)(ii)(B)	Software used in the Publishing Operations
Schedule 4.2(u)	Post May 31, 1998 Conduct of Publication Business
Schedule 5.3(a)	Offeree Employees
Schedule 5.5(g)	Certain Former Atlantic Monthly Employees
Exhibit A	Escrow Agreement
Exhibit B	Opinion of the Seller's Counsel
Exhibit C	Release
Exhibit D	Sublease
Exhibit E	Assignment of Trademarks
Exhibit F	Assignment of Copyrights

Schedule 4.2(j)
Intellectual Property

1. All registered and unregistered trademarks, tradenames, service marks, domain names, and fictional business names and associated logos owned by the Seller including:

Trademarks:	ATLANTIC MONTHLY	Registered in U.S. and EC
	EXECUTIVE DECISION	Pending in U.S.
	THEATLANTIC.COM	Registered in U.S.
	ATLANTIC UNBOUND	Registered in U.S.

Domain Names:	theatlantic.com
	atlanticmonthly.com
	atlanticunbound.com
	theatlanticmonthly.com
	theatlanticunbound.com

2. All copyrights owned by the Seller, whether in published or unpublished works.

3. All trade secrets of Seller

4. All confidential information of Seller

5. All customer and subscription lists of Seller

6. All past and current editorial material owned by Seller including, but not limited to manuscripts, art, cartoons and photographs