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3/31/04

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

In re:)	Chapter 11
FLORENCE TELEVISION, L.L.C.)	Case No. 02-81667-PWB
)	HON. PAUL W. BONAPFEL
Debtor.)	

**ORDER PURSUANT TO SECTIONS 105, 363, 365 AND 1146 OF THE
BANKRUPTCY CODE AND RULES 6004 AND 6006 OF THE FEDERAL RULES OF
BANKRUPTCY PROCEDURE (I) APPROVING THE SALE OF SUBSTANTIALLY
ALL OF THE DEBTOR'S ASSETS, FREE AND CLEAR OF ALL CLAIMS, LIENS,
ENCUMBRANCES AND OTHER INTERESTS, (II) AUTHORIZING THE
ASSUMPTION AND ASSIGNMENT OF THE ASSUMED CONTRACTS, (III)
ESTABLISHING CURE AMOUNTS, IF ANY, WITH RESPECT TO THE ASSUMED
CONTRACTS, (IV) AUTHORIZING THE DEBTOR TO ENTER INTO AND
PERFORM UNDER A LOCAL MARKETING AGREEMENT, (V) APPROVING A
KEY EMPLOYEE RETENTION PLAN, AND (VI) AUTHORIZING THE
REJECTION OF THE DEBTOR'S AFFILIATION AGREEMENT WITH THE
UNITED PARAMOUNT NETWORK**

Upon consideration of the motion, dated February 24, 2004 (the "Motion"), of Florence Television, LLC (the "Debtor"), as debtor and debtor-in-possession, for an order, pursuant to 11 U.S.C. §§ 105, 363, 365 and 1146 and Rules 6004 and 6006 of the Federal Rules of Bankruptcy Procedure, (1) approving the sale of substantially all of the Debtor's assets (the "Sale Assets") pursuant to the terms and conditions of an Asset Purchase Agreement (the "Asset Purchase Agreement"), by and among the Debtor and its wholly-owned subsidiary, Valley Television, LLC ("Valley"), (collectively, the "Sellers"), and Huntsville TV, LLC, or its designee, as purchaser (the "Purchaser"), the form of which is annexed hereto as Exhibit A, and (2) granting certain other relief relating to the sale of the Sale Assets as reflected in the title above; and it appearing that the Court has jurisdiction to consider the Motion and the relief requested therein

pursuant to 28 U.S.C. §§157 and 1334; and it appearing that, as supplemented by the procedures specified in paragraph 37 of this Order, due notice of the Motion and the relief requested in the Motion shall have been given and no other or further notice need be given; and a hearing to consider the Motion and the relief requested having been held before this Court on March 30, 2004 (the “Hearing”); and based upon the Motion, the exhibits annexed thereto, the evidence presented, the arguments made at the Hearing, representations of counsel made on the record, and the full record of these cases, it appearing that the relief requested in the Motion is in the best interests of the Debtor, its estate and creditors; and, upon due deliberation, good and sufficient cause appearing,

IT IS HEREBY FOUND AND DETERMINED THAT:

A. Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Asset Purchase Agreement.

B. The Debtor owns and operates broadcast television station WHDF-TV in the Huntsville-Decatur-Florence, Alabama designated market area (the “Business”) pursuant to an FCC license owned by Valley.

C. The Court has jurisdiction over the Motion and the relief requested therein pursuant to 28 U.S. §§157(b)(2)(A) and (N). Venue of these chapter 11 cases and the Motion in this district is proper under 28 U.S.C. §§ 1408 and 1409.

D. The statutory predicates for the relief sought in the Motion are sections 105(a), 363(b), (f), (m), 365(a) and (f), and 1146 of the Bankruptcy Code.

E. The United Paramount Network (“UPN”) holds a first priority security interest in and lien on the Sale Assets as well as the Debtor’s membership interest in Valley (i) securing post-petition financing provided by UPN of approximately \$220,000, (ii) as adequate

protection for the use of UPN's cash collateral, and (iii) securing pre-petition indebtedness in excess of \$8,000,000.

F. Timely notice of the Motion and the Hearing on the sale of the Sale Assets and the other transactions described in the Motion, including without limitation the entry by the Debtor into a Local Marketing Agreement with the Purchaser (the "LMA") (collectively, the "Sale Transaction"), and other actions related to the Sale Transaction, has been provided by first class delivery mail by United States Postal Service to (i) the Office of the United States Trustee, (ii) the attorneys for UPN, (iii) all non-debtor contracting parties with respect to the Assumed Contracts, as defined in the Asset Purchase Agreement (except ASCAP, BellSouth, Ardmore Telephone, Florence Utilities, Minor Hill Utilities, Pulaski Electric, Sheffield Electric, Arch Wireless, SBA, FBI, Metrocall, WAY-FM, and Blue-Star Ready Mix which were inadvertently omitted from the service list), (iv) all appropriate federal, state and local taxing authorities, (v) all known persons holding a lien on any of the Sale Assets, (vi) all unsecured creditors (except AXCERA, ASCAP, Edgewise, Ford Motor Credit Company, HIWAAY, ITC/Deltacom, Leitch, Luxsteel, Simplicity Tool, Sprint, Staples, and TVScan/Marketron, which were inadvertently omitted from the service list), and (vii) all parties having filed a notice of appearance in the Debtor's chapter 11 case as of January 25, 2004. As to the served parties, such notice was good and sufficient, and appropriate under the particular circumstances, and no other or further notice is required. As to the parties specifically identified in clauses (iii) and (vi) of this Paragraph F as having been inadvertently omitted from the service list (the "Additional Parties to be Notified"), notice and an opportunity for hearing shall be provided as set forth in paragraph 37 of this Order.

G. Subject to the provisions of paragraph 37 of this Order, a reasonable opportunity to object or be heard with respect to the Motion and the relief requested therein has been afforded to all interested persons and entities receiving notice.

H. The Debtor has full corporate or organizational power and authority to execute the LMA and the Asset Purchase Agreement and all other documents contemplated thereby, and the Sale Transaction has been duly and validly authorized by all necessary corporate or organizational action of the Debtor. Upon entry of this Order, the Debtor has all the corporate or organizational power and authority necessary to consummate the transactions contemplated by the LMA and the Asset Purchase Agreement.

I. No consents or approvals, other than this Order, the approval of the Federal Communications Commission (the "FCC"), and the consent of UPN, are required for the Debtor and Valley to consummate the Sale Transaction. No Committee has been appointed in this case, and the United States Trustee does not object to the relief requested in the Motion.

J. Since the filing of this chapter 11 case, the Debtor has engaged in a lengthy and strenuous effort to attract prospective purchasers for the Business. Moreover, UPN, which has extensive contacts in the industry, has sought out parties that might have an interest in acquiring the Business.

K. After an extensive search to identify interested purchasers, only the Purchaser has come forward with an offer to purchase substantially all of the assets of the Business at a price to which UPN is willing to consent. In addition to the favorable price the Purchaser is prepared to pay for the Business, subject to the conditions set forth in the Asset Purchase Agreement, the Purchaser is willing to enter into the LMA within a short time after the entry of this Order. Effectuation of the LMA as quickly as possible is critical to preserving the

value of the Business because of the Debtor's lack of liquidity. Under the LMA, during the period from the Commencement Date of the LMA , as such term is defined in the LMA, until the earlier of the Closing of the sale of the Sale Assets or the expiration or termination of the LMA, the Purchaser will reimburse the Debtor for the expenses of operation of the Business itemized in the LMA. Because FCC approval is required before the Closing of the sale of the Sale Assets can occur, substantial time may elapse between the entry of this Order and the Closing.

L. The Debtor's cash flow is negative, and it has only been able to continue in operation because of limited, court-authorized funding provided by UPN. UPN is not prepared, however, to continue to fund the Debtor's cash shortfalls. The LMA will enable the going concern value of the Business to be maintained until the Closing can occur.

M. The Purchaser is an affiliate of owners of several successful television stations in other markets. The Debtor is confident that FCC approval for the sale of the Business to the Purchaser will be obtained and that the Purchaser will have the ability to close the Sale Transaction.

N. The Purchaser is unwilling to proceed with its offer to purchase the Business and to enter into the LMA in a context of possible competitive bidding. The Debtor and UPN have alleged that the Business has been marketed widely and there is no realistic prospect that a higher and better offer would be forthcoming from a party likely to obtain FCC approval if further procedures for competitive bidding were implemented. If competitive bidding were allowed, the result would be the withdrawal of the Purchaser from the process with a devastating effect upon the Debtor and its estate. Moreover, based on the indebtedness to UPN secured by the Sale Assets, the Business would have to be sold for substantially more than \$2,700,000 above the Purchase Price to benefit any creditor other than UPN, a scenario that both the Debtor and

UPN believe to be totally unrealistic. As a practical matter then, UPN is the only party in interest that stands to lose if an auction process is not required, and UPN fully supports the Motion.

O. The Debtor believes and has alleged that the Purchaser's offer is fair and reasonable. The Debtor, therefore, has requested the Court to approve a private sale of the Sale Assets to the Purchaser, in accordance with the terms of the Asset Purchase Agreement, pursuant to Rule 6004(f)(1) of the Federal Rules of Bankruptcy Procedure, without the necessity for an auction process.

P. Based on the evidence presented, the Court concludes that the Debtor's decision to enter into the Asset Purchase Agreement and proceed without the opportunity for competitive bidding constitutes the exercise of the Debtor's sound business judgment. In view of the efforts that have been made to market the Business and the current regulatory environment, the Asset Purchase Agreement represents the highest and best offer for the Sale Assets. Rather than promoting a sale to the highest and best bidder in this case, requiring the opportunity for competitive bidding would likely drive away the Purchaser. Moreover, the only party in interest that reasonably stands to benefit if competitive bidding were required (that is, UPN) fully supports the relief requested in the Motion.

Q. Approval at this time of (i) the Asset Purchase Agreement, (ii) the LMA, (iii) the consummation of the LMA and the Sale Transaction, and (iv) the other matters set forth in the Sale Motion is in the best interests of the Debtor, its creditors, its estate and other parties in interest.

R. The Debtor has demonstrated both (i) good, sufficient, and sound business purpose and justification; and (ii) compelling circumstances for approval of the LMA and the Sale Transaction and other matters set forth in the Motion, in accordance with section 363(b) of

the Bankruptcy Code without the filing and confirmation of a plan of reorganization in the Debtor's chapter 11 case, including, without limitation, that (a) the Debtor is about to run out of cash; and (b) the going concern value of the Business will be lost or severely diminished if a sale must await promulgation and confirmation of a plan.

S. The Asset Purchase Agreement and the LMA were negotiated, proposed and entered into by the Debtor and the Purchaser without collusion, in good faith, and from arm's-length bargaining positions. Neither the Debtor nor the Purchaser has engaged in any conduct that would cause or permit the Asset Purchase Agreement or the LMA to be avoided under section 363(n) of the Bankruptcy Code. The Purchaser is not an "insider" of the Debtor or Valley within the meaning of Section 101(31) of the Bankruptcy Code.

T. The Purchaser is a good faith purchaser within the meaning of section 363(m) of the Bankruptcy Code and, as such, is entitled to all of the protections afforded thereby. The Purchaser has acted and will be acting in good faith within the meaning of section 363(m) of the Bankruptcy Code in closing the transactions contemplated by the Asset Purchase Agreement at all times after the entry of this Order.

U. The terms and conditions of the Asset Purchase Agreement and the Purchase Price to be paid to the Debtor by the Purchaser (i) are fair and reasonable, (ii) represent the highest or best offer for the Sale Assets, (iii) will provide a greater recovery for the Debtor's creditors than would be provided by any other practical available alternative, and (iv) constitute fair consideration for the Sale Assets.

V. The Sale Transaction will, upon consummation thereof (the "Closing"), (i) be legal, valid, and effective to transfer the Sale Assets to the Purchaser and, (ii) vest the

Purchaser with good title to the Sale Assets free and clear of all liens, claims, encumbrances and interests.

W. All amounts, if any, that become payable by the Debtor pursuant to the Asset Purchase Agreement or any of the documents delivered by the Debtor pursuant to or in connection with the Asset Purchase Agreement or the LMA constitute administrative expenses pursuant to sections 503(b) and 507(a)(1) of the Bankruptcy Code.

X. All of the provisions of this Order and the Asset Purchase Agreement are nonseverable and mutually dependent.

Y. The Debtor is authorized to consummate the LMA and, subject to the approval of the FCC, the Sale Transaction, including the transfer by the Debtor of the Sale Assets to the Purchaser under the Asset Purchase Agreement free and clear of all liens, claims, encumbrances and interests of any kind or nature whatsoever because one or more of the standards set forth in sections 363(f)(1)-(5) of the Bankruptcy Code have been satisfied. No interested party holding a lien, claim, encumbrance or other interest of any kind or nature whatsoever in the Sale Assets has objected to the Motion or the relief requested therein, and all of such parties are deemed to have consented pursuant to sections 363(f)(2) and 365 of the Bankruptcy Code.

Z. Except as otherwise expressly provided in the LMA or the Asset Purchase Agreement, consummation of the LMA and the Sale Transaction, respectively, will not subject the Purchaser to any debts, liabilities, obligations, commitments, responsibilities or claims of any kind or nature whatsoever, whether known or unknown, contingent or otherwise, existing as of the date hereof or hereafter arising, of or against the Debtor, any affiliate of the Debtor, or any

other person by reason of such transfers and assignments, including without limitation, based on any theory of successor or transferee liability.

AA. To maintain the Business as a going concern as it is conveyed to the Purchaser, the Debtor has further requested authority to assume and assign to the Purchaser certain leases and contracts under which it is performing, as set forth on Exhibits B and C to the Motion (the “Assumed Contracts”). The Debtor has alleged that it is in the interests of the estate and its creditors that such leases and contracts be assumed and assigned, and has established sound business reasons for such decisions.

BB. The Debtor has further requested that this Court establish the amounts necessary to cure defaults, if any, on those leases and contracts being assumed and assigned to the Purchaser. At the hearing on the Motion, the Debtor set forth the final amounts owing under such leases and contracts, and presented support for its claims that the payment of such cure amounts are fair and reasonable uses of assets in the estate under the sound business judgment rule applicable to such uses. Evidence was also proffered at the hearing on the Motion satisfying the Court that the assignment of the Assumed Contracts to the Purchaser, in and of itself, will provide adequate assurance of future performance of the Assumed Contracts to the non-debtor parties thereto.

CC. The Debtor further requested this Court to approve payments to certain of its employees under a Key Employee Retention Plan (the “KERP”). The Court recognizes that the retention of such employees preserves the value of the estate by providing continuity in business relationships and further ensures the Debtor’s compliance with FCC regulations mandating the presence of employees of the FCC Licensee at the station during business hours. For the Debtor to fulfill its obligations under the Local Marketing Agreement into which it is

entering, the continued employment of its key employees is essential, and the Debtor has used sound business judgment in entering into the KERP, the terms of which are fair and reasonable.

DD. Lastly, the Debtor requests approval of its rejection of the affiliation agreement between it and UPN. As the Purchaser intends to enter into a new affiliation agreement with UPN in connection with the Closing, the Debtor's affiliation agreement with UPN (the "Debtor/UPN Affiliation Agreement") will not be assumed and assigned to the Purchaser but will be deemed rejected upon the Closing.

EE. Accomplishing all of the above-provided-for transactions related to the Sale Transaction is in the best interests of the estate given the circumstances of this case and the financial condition of the Debtor, and the payments authorized thereunder shall be made out of the proceeds of the Sale Transaction as agreed to by the Debtor and UPN and as provided below.

FF. The findings and conclusions set forth in this Order constitute the Court's findings of fact and conclusions of law pursuant to Fed. R. Bankr. P. 7052, made applicable to this chapter 11 case pursuant to Fed. R. Bankr. P. 9014.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

General Provisions

1. The Motion shall be, and it hereby is, granted, as further described herein.

2. No objections to the relief requested in the Motion were timely filed.

Subject to the provisions of Paragraph 37 of this Order, all other objections to the Motion, including, without limitation, any subsequently interposed at the Hearing, or the relief requested

therein that have not been withdrawn, waived, or settled, and all reservations of rights included therein, are hereby overruled on the merits.

Approval of the Asset Purchase Agreement and the LMA

3. The terms and conditions of, and the transactions contemplated by, the LMA and the Asset Purchase Agreement between the Debtor and the Purchaser are hereby approved in all respects, and, subject to the entry of this Order and the provisions of Paragraph 37 hereof, the consummation of the LMA and the Asset Purchase Agreement are hereby approved, authorized and directed under sections 105 and 363(b) of the Bankruptcy Code.

4. Pursuant to section 363(b) of the Bankruptcy Code, and subject to the entry of the this Order, the Debtor is hereby authorized, directed and empowered to fully assume, perform under, consummate and implement the LMA and (subject to FCC approval) the Asset Purchase Agreement, including, without limitation, effecting the transfers of the Sale Assets from the Debtor to the Purchaser, together with all additional, instruments and documents that may be reasonably necessary or desirable to implement the LMA and the Asset Purchase Agreement, and to take all further actions as may reasonably be requested by the Purchaser for the purpose of assigning, transferring, granting, conveying, and conferring to the Purchaser, or reducing to possession, any or all of the Sale Assets, including but not limited to the execution of any document necessary to effectuate a transfer of the License to the Purchaser or its designee.

Effect of Transfer of Assets

5. Pursuant to sections 105(a) and 363(f) of the Bankruptcy Code, upon Closing, the Sale Assets shall be transferred by the Debtor to the Purchaser, free and clear of (i) all mortgages, security interests, conditional sale or other title retention agreements, pledges, liens, judgments, demands, encumbrances, easements, restrictions or charges of any kind or nature, if any, including, but not limited to, any restriction on the use, voting, transfer, receipt of

income or other exercise of any attributes of ownership (the foregoing collectively referred to as “Liens” herein), and (ii) all debts and obligations of the Debtor, including, without limitation, all claims (as such term is defined in the Bankruptcy Code), demands, guaranties, options, rights, contractual commitments, restrictions, interests and matters of any kind and nature, arising on or before the Closing Date or relating to acts occurring on or before the Closing Date, and whether imposed by agreement, understanding, law, equity or otherwise (the foregoing debts and obligations collectively referred to as “Claims”), with all such Liens to attach to the net proceeds of the Sale Transaction, with the same validity, enforceability, priority, force and effect that they now have as against the Sale Assets, subject to the rights, claims, defenses and objections, if any, of the Debtor and all interested parties with respect to such Liens and Claims. Without limiting the generality of the foregoing, no holder of any Claim against the Debtor or any Lien upon any of the Sale Assets shall interfere with the Purchaser’s title to or use and quiet enjoyment of the Sale Assets based upon or related to such Claim or Lien.

6. Except as expressly permitted by the Asset Purchase Agreement, all persons and entities, including, but not limited to, all holders of the Debtor’s indebtedness, debt security holders, equity security holders, governmental, tax, and regulatory authorities, lenders, trade and other creditors, holding Liens or Claims against the Debtor or the Sale Assets (whether legal or equitable, secured or unsecured, matured or unmatured, contingent or noncontingent, senior or subordinated), arising on or before the Closing Date, or out of, under, in connection with, or in any way relating to, events occurring prior to the Closing Date, with respect to Sale Assets hereby are forever barred, estopped, and permanently enjoined from asserting such Liens and Claims of any kind and nature against the Purchaser, its successors or assigns, their property, or the Sale Assets.

7. In accordance with sections 1146(c) and 105(a) of the Bankruptcy Code, the Sale Transaction is not subject to taxation under any federal, state, local, municipal or other law imposing or purporting to impose a stamp, transfer, recording, or any other similar tax on any of the Debtor's transfers or sales of real estate, personal property or other assets owned by it.

Assumption and Assignment of the Assumed Contracts

8. Without limiting the generality of paragraph 1 above, the Motion, insofar as it relates to the assumption and assignment of the Assumed Contracts, as defined in the Asset Purchase Agreement, in accordance with 11 U.S.C. §365, is hereby granted.

9. The Debtor's assumption of the Assumed Contracts effective as of the Closing Date, pursuant to 11 U.S.C. § 365 and as contemplated pursuant to the Asset Purchase Agreement, is approved.

10. The Debtor is authorized to assign the Assumed Contracts to Purchaser or its designee, pursuant to 11 U.S.C. § 365 and as contemplated pursuant to the Asset Purchase Agreement or the related Local Marketing Agreement.

11. The cure amounts required to be paid in connection with the assumption and assignment of the Assumed Contracts, if any, are as set forth on the attached schedule. Upon closing, each non-debtor contracting party in connection with the Assumed Contracts shall be forever barred from asserting different cure amounts with respect to the Assumed Contracts, or that uncured non-monetary defaults existed as of the Closing Date.

12. As of the Closing Date, if all of the conditions to the obligations of the Sellers under the Asset Purchase Agreement have been satisfied and all of Purchaser's deliveries at Closing have been made, the Assumed Contracts shall be transferred and assigned to the Purchaser and thereafter shall remain in full force and effect for the benefit of Purchaser in accordance with their respective terms, notwithstanding any provision in any such Assumed

Contract (including, without limitation, those of the type described in sections 365(b)(2) and 362(f) of the Bankruptcy Code) that prohibits, restricts or conditions such assignment or transfer. Any provision in any Assumed Contract that prohibits or conditions the assignment of such Assumed Contract or allows the non-debtor party to such Assumed Contract to terminate, recapture, impose any penalty, condition renewal or extension, or modify any term or condition upon the assignment of such Assumed Contract, shall constitute an unenforceable anti-assignment provision that is void and of no force and effect. Upon Closing, in accordance with sections 363 and 365 of the Bankruptcy Code, the Purchaser shall be fully and irrevocably vested in all right, title and interests in each Assumed Contract. All defaults or other obligations of the Debtor under any Assumed Contract arising prior to the Closing (without giving effect to any acceleration clauses or default provisions of the kind specified in section 365(b)(2) of the Bankruptcy Code) shall be cured by the Debtor at the Closing or as soon thereafter as practical by paying the cure amounts set forth in Exhibits B and C of the Motion, and pursuant to section 365(k) of the Bankruptcy Code, the Debtor shall be relieved from any further liability with respect to the Assumed Contracts after such transfer and assignment to the Purchaser. The Purchaser shall have no liability or obligation under any Assumed Contract arising prior to the Closing Date, except as otherwise expressly provided in the Asset Purchase Agreement.

13. The conveyance and assignment of the Assumed Contracts to Purchaser, in and of itself, shall be deemed to provide each non-debtor contracting party with adequate assurance of future performance under the Assumed Contracts.

14. This Order is without prejudice to the rights of the Debtor and the Purchaser to seek approval, upon notice and a hearing or pursuant to a stipulation and order, of

the assumption and assignment of additional executory contracts and unexpired leases to facilitate the consummation of the transactions contemplated by the Asset Purchase Agreement.

Approval of the Key Employee Retention Plan

15. The terms and conditions of, and the transactions contemplated by, the KERP proposed by the Debtor are hereby approved in all respects, and, subject to the entry of this Order, the payments under the KERP are hereby approved, authorized and directed under sections 105 and 363(b) of the Bankruptcy Code.

16. Pursuant to section 363(b) of the Bankruptcy Code, and subject to the entry of this Order, the Debtor is hereby authorized, directed and empowered to fully assume, perform under, consummate and implement the KERP, together with all additional, instruments and documents that may be reasonably necessary or desirable to implement the KERP, and to take all further actions as may reasonably be requested by the Purchaser for the purpose of assigning, transferring, granting, conveying, and conferring to the Purchaser, or reducing to possession, any or all of the Sale Assets.

Carve-Outs

17. In connection with agreed cash collateral orders, UPN previously has consented to certain carve-outs for the fees of the United States Trustee and fees of the Debtor's professionals (the "Prior Carve-Out"). UPN has agreed that, upon the Closing of the Asset Purchase Agreement, the scope of the carve-outs will be expanded as follows:

- a. The Administrative Expense Carve-Out. Upon the Closing, UPN agrees to a carve-out for administrative expenses (inclusive of the Prior Carve-Out) of up to \$300,000 plus (a) the Cure Cost Surplus (as defined in paragraph 18 of this Order), (b) the Property Tax Surplus (as defined in paragraph 18), and (c) one-

half of the Priority Tax Surplus (as defined in paragraph 18) (collectively, the “Administrative Expense Carve-Out”).

b. The KERP Carve-Out. UPN has further agreed, upon the Closing, to a carve-out for the amounts payable under the Debtor’s Key Employee Retention Plan up to \$225,000 (the “KERP Carve-Out”).

c. The Priority Tax Claim Carve-Out. UPN has further agreed, upon the Closing, to a carve-out of up to \$110,000 for payment of the trust fund portion of priority tax claims against the Debtor (the “Priority Tax Claims Carve-Out”).

Distribution of Sale Proceeds

18. Upon the Closing, the Cash Consideration portion of the Purchase Price shall be disbursed as follows:

a. \$250,000 to counsel for the Purchaser, Daniel Sroka, Esq., in his capacity as the Post-Closing Escrow Agent, to be held pursuant to the Post-Closing Escrow Agreement described in the Asset Purchase Agreement.

b. To the Debtor’s bankruptcy counsel, the amount of the cure costs required to be paid in connection with the assumption and assignment of leases and executory contracts to the Purchaser, which cure costs shall be disbursed to the appropriate parties in interest by Debtor’s bankruptcy counsel within ten (10) days. The amount, if any, by which \$20,000 exceeds such cure costs is referred to in this Order as the “Cure Cost Surplus.”

c. To the appropriate tax authorities, the amounts necessary to pay real and personal property taxes owed on any of the Sale Assets. The amount, if any, by

which \$60,000 exceeds the aggregate amount of such taxes is referred to in this Order as the “Property Tax Surplus.”

d. To the Debtor’s bankruptcy counsel, \$110,000, which is to be disbursed to the appropriate taxing authorities within ten (10) days to pay the trust fund portion of priority tax claims owed by the Debtor for pre-petition payroll taxes. The amount, if any, by which \$110,000 exceeds the aggregate amount of such trust fund portion is referred to in this Order as the “Priority Tax Surplus”). The Debtor’s bankruptcy counsel shall disburse one-half of the Priority Tax Surplus, as finally determined, to UPN.

e. To the Debtor’s operating account, \$185,250, from which is to be paid the portion of the KERP payments due at Closing.

f. To the Debtor’s operating account, the amount by which the Administrative Expense Carve-Out exceeds (X) the Debtor’s cash on hand at Closing plus (Y) the amount of the Debtor’s accounts receivable and payment intangibles outstanding on the Closing Date that are reasonably projected to be collectible in the future (the “Projected Collections”). The Debtor shall be authorized to use the funds so disbursed to the Debtor, the Debtor’s cash on hand at Closing and the collections on the aforementioned accounts receivable and payment intangibles to pay administrative expenses, including administrative expenses entitled to the benefits of the Prior Carve-Out.

g. The balance of the Cash Consideration shall be paid to UPN at Closing by wire transfer of immediately available funds to one or more bank accounts

specified by UPN for application against the Debtor's indebtedness to UPN in such order as UPN may determine.

Post-Closing Escrow Fund

19. The Post-Closing Escrow Fund shall be administered by the Escrow Agent in accordance with Article VI of the Asset Purchase Agreement. Disbursements from the Post-Closing Escrow Fund shall be made at the time or times and in the manner provided in Article VI of the Asset Purchase Agreement.

Payment of Administrative Expenses

20. Notwithstanding UPN's liens and security interests therein, the Debtor may use the funds disbursed to the Debtor pursuant to subparagraph 18(f) of this Order, the Debtor's cash on hand at Closing and the collections on its accounts receivable and payment intangibles for the payment of administrative expenses, including without limitation administrative expenses entitled to the benefit of the Prior Carve-Outs set forth in the Cash Collateral Order. As adequate protection of its interest in such Collateral, UPN shall have a fully perfected, first priority security interest in and lien on all of the Debtor's property (whenever acquired) that is not encumbered by an unavoidable, perfected security interest or lien which is not subject to subordination, and a fully perfected junior security interest in and lien on all of the Debtor's property (whenever acquired) that is encumbered by such a security interest or lien.

Liens and Claims

21. On the Closing Date of the Sale Transaction, each of the Debtor and the Debtor's creditors is authorized and directed to execute such documents and take all other actions as may be necessary to release its Liens or Claims, if any, against the Sale Assets, as such

Liens or Claims may have been recorded or may otherwise exist. Upon execution thereof at the Closing or thereafter, each of the agreement documents, and other writings which are contemplated by the Asset Purchase Agreement, shall be the legal, valid and binding obligation of the Debtor in accordance with the terms set forth therein.

22. This Order (a) is and shall be effective as a determination that, on the Closing Date, all Liens existing as to the Sale Assets on or before the Closing Date have been unconditionally released, discharged and terminated, and that the conveyance of the Sale Assets described herein has been effected, and (b) is and shall be binding upon and shall govern the acts of all entities, including, without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, registrars of patents, trademarks or other intellectual property, administrative agencies, governmental departments, secretaries of state, federal, state, and local officials, and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to, accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any of the Sale Assets.

23. Each and every federal, state, and local governmental agency or department is hereby directed to accept any and all documents and instruments necessary and appropriate to consummate the transactions contemplated by the Asset Purchase Agreement.

24. If any person or entity that has filed financing statements, mortgages, mechanic's liens, *lis pendens*, or other documents or agreements evidencing Liens on or interests in the Sale Assets shall not have delivered to the Debtor on or before the Closing Date, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, releases of all Liens or other interests that the person or entity has with respect to the

Sale Assets or otherwise, then (a) the Debtor is hereby authorized to execute and file such statements, instruments, releases and other documents on behalf of the person or entity with respect to the Sale Transaction and (b) the Purchaser is hereby authorized to file, register, or otherwise record a certified copy of this Order, which, once filed, registered, or otherwise recorded, shall constitute conclusive evidence of the release of all Liens or other interests of any kind or nature whatsoever in the Sale Assets.

25. All entities who are presently, or on the Closing Date may be, in possession of some or all of the Sale Assets are hereby directed to surrender possession of the Sale Assets to the Purchaser on the Closing Date.

26. Except as otherwise expressly provided in the Asset Purchase Agreement and documents executed in connection therewith, the Purchaser is not assuming nor shall it in any way whatsoever be liable or responsible, as a successor or otherwise, for any Claims against the Debtor, for any liabilities, debts, commitments or obligations (whether known or unknown, disclosed or undisclosed, absolute, contingent, inchoate, fixed or otherwise) of the Debtor or Valley, or for any liabilities, debts, commitments or obligations in any way whatsoever relating to or arising from the Sale Assets or the Debtor's operations or use of the Sale Assets on or before the Closing Date or any such liabilities, debts, commitments or obligations that in any way whatsoever relate to periods on or before the Closing Date or are to be observed, paid, discharged or performed on or before the Closing Date (in each case, including any liabilities that result from, relate to or arise out of tort or other product liability claims), or any liabilities calculable by reference to the Debtor or its assets or operations, or relating to continuing conditions existing on or prior to the Closing Date, all of which Claims, liabilities, debts, commitments and obligations are hereby extinguished insofar as they may give rise to successor

liability, without regard to whether the claimant asserting any such Claims, liabilities, debts, commitments or obligations has delivered to the Purchaser a release thereof. Without limiting the generality of the foregoing, except as provided in the Asset Purchase Agreement and documents executed in connection therewith, the Purchaser shall not be liable or responsible, as a successor or otherwise, for the Debtor's liabilities, debts, commitments or obligations, whether calculable by reference to the Debtor, arising on or prior to the Closing and under or in connection with (i) any employment or labor agreements, consulting agreements, severance arrangements, change-in-control agreements or other similar agreement to which Debtor is a party, (ii) any pension, welfare, compensation or other employee benefit plans, agreements, practices and programs, including, without limitation, any pension plan of the Debtor, (iii) the cessation of the Debtor's operations, dismissal of employees, or termination of employment or labor agreements or pension, welfare, compensation or other employee benefit plans, agreements, practices and programs, or obligations that might otherwise arise from or pursuant to the Employee Retirement Income Security Act of 1974, as amended, the Fair Labor Standards Act, Title VII of the Civil Rights Act of 1964, the Age Discrimination and Employment Act of 1967, the Federal Rehabilitation Act of 1973, the National Labor Relations Act, the Consolidated Omnibus Budget Reconciliation Act of 1985, COBRA, or the Worker Adjustment and Retraining Notification Act, (iv) workmen's compensation, occupational disease or unemployment or temporary disability insurance claims, (v) environmental liabilities, debts, claims or obligations arising from conditions first existing on or prior to Closing (including, without limitation, the presence of hazardous, toxic, polluting, or contaminating substances or wastes), which may be asserted on any basis, including, without limitation, under the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq., (vi) any bulk sales or similar law, (vii)

any liabilities, debts, commitments or obligations of, or required to be paid by, the Debtor for any taxes of any kind for any period, (viii) any liabilities, debts, commitments or obligations for any taxes relating to the Business or the Sale Assets for or applicable to the Pre-Closing tax period, including any property taxes, (ix) any liabilities, debts, commitments or obligations for any transfer taxes, (x) any litigation, and (xi) any products liability or similar claims, whether pursuant to any state or any federal laws or otherwise.

27. The recitation, in the immediately preceding paragraph of this Order, of specific agreements, plans or statutes is not intended, and shall not be construed, to limit the generality of the categories of liabilities, debts, commitments or obligations referred to therein.

28. Except as otherwise expressly provided in the Asset Purchase Agreement, no person or entity, including without limitation, any federal, state or local governmental agency, department or instrumentality, shall assert by suit or otherwise against the Purchaser or its successors in interest any Claim that they had, have or may have against the Debtor, or any liability, debt or obligation relating to or arising from the Sale Assets, or the Debtor's operations or use of the Sale Assets, including, without limitation, any liabilities calculable by reference to the Debtor or its assets or operations, and all persons and entities are hereby enjoined from asserting against the Purchaser in any way any such Claims, liabilities, debts or obligations.

Other Provisions

29. Any amounts that become payable by the Debtor pursuant to the LMA or the Asset Purchase Agreement or any of the documents delivered by the Debtor pursuant to or in connection with the LMA or the Asset Purchase Agreement, or with respect to the negotiation or consummation of the Sale Transaction, shall constitute administrative expenses of the Debtor's estate pursuant to sections 503(b) and 507(a)(1) of the Bankruptcy Code.

30. Subject to the provisions of the LMA and Asset Purchase Agreement, the Court shall retain jurisdiction (i) to enforce and implement the terms and provisions of the LMA and Asset Purchase Agreement, all, amendments thereto, any waivers and consents thereunder, and of each of the agreements executed in connection therewith, (ii) to compel delivery of the Sale Assets to the Purchaser pursuant to the Sale Transaction (iii) to resolve any disputes, controversies or claims arising out of or relating to the LMA or the Asset Purchase Agreement, and (iv) to interpret, implement, and enforce the provisions of this Order.

31. Nothing contained in any plan of reorganization or liquidation confirmed in this chapter 11 case or any Order of this Court confirming such plan or any other order entered in this chapter 11 case shall conflict with or derogate from the provisions of the LMA or the Asset Purchase Agreement or the terms of this Order.

32. In the absence of a stay pending appeal beyond the ten-day period provided for in Rules 6004(g) and 6006(d) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), in the event that the Debtor and the Purchaser elect to consummate the transactions contemplated by the Asset Purchase Agreement at any time after the expiration of said ten-day period, then, with respect to the Sale Transaction approved and authorized herein, the Purchaser, as a purchaser in good faith, shall be entitled to the protections of section 363(m) of the Bankruptcy Code if this Order or any authorization contained herein is reversed or modified on appeal.

33. Except as expressly provided in the Asset Purchase Agreement and documents executed in connection therewith, the Purchaser is not acquiring or assuming, and the consummation of the Sale Transaction shall not subject the Purchaser to, any debts, liabilities, obligations, commitments, responsibilities or other Claims of any kind or nature whatsoever,

whether known or unknown, contingent or otherwise existing as of the date hereof or hereafter arising, of or against the Debtor, any affiliate or predecessor of the Debtor, or any other person by reason of such transfer, assignment and delivery including, without limitation, based, in whole or in part directly or indirectly, on any theory of equitable subordination or successor or transferee liability.

34. The terms and provisions of the Asset Purchase Agreement, the LMA, the KERP, and the assumed and assigned Leases and Contracts, together with the terms and provisions of this Order, shall be binding in all respects upon, and shall inure to the benefit of, (i) the Debtor, its estate and creditors, (ii) the Purchaser, its affiliates, and their respective successors and assigns, (iii) any committee or examiner now existing or appointed in the future, (iv) any mediator, and (v) any other fiduciary. This Order shall be binding in all respects upon any affected third parties, and all persons asserting a Claim against, Lien upon or interest in the Debtor's estate or any of the Sale Assets. The Asset Purchase Agreement, the LMA and the transactions contemplated thereby shall be specifically performable and enforceable against and binding upon, and not subject to rejection or avoidance by, the Debtor or any chapter 7 or chapter 11 trustee of the Debtor and its estate.

35. The failure specifically to include any particular provisions of the LMA or the Asset Purchase Agreement in this Order shall not diminish or impair the effectiveness of such provisions, it being the intent of the Court that the LMA and the Asset Purchase Agreement be authorized and approved in their respective entireties; provided, however, that notwithstanding anything contained in the LMA, the Term of the LMA shall not commence so long as this Order is stayed, nor shall the Term of the LMA commence if this Order has been vacated or revoked.

36. The LMA or the Asset Purchase Agreement and any related agreements, documents or other instruments may be modified, amended or supplemented by the parties thereto in accordance with the terms thereof without further order of the Court, provided that any such modification, amendment or supplement is not material in nature or does not change the economic substance of the transactions approved hereby.

37. This Order shall be stayed in accordance with Bankruptcy Rules 6004(g) and 6006(d) (the "Bankruptcy Rules Stay"), until the expiration of ten (10) days after its entry (such ten-day period being referred to hereinafter as the "Bankruptcy Rules Stay Period"). Upon the entry of this Order, counsel for the Debtor shall immediately serve copies of the Motion and this Order by overnight courier service on each of the Additional Parties to be Notified together with a notice advising of the date of entry of this Order and that the Additional Parties to be Notified shall have until 4:00 p.m., Eastern Time, on the tenth day after the date of entry of this Order to file a written objection to the relief granted in this Order and to serve such objection on counsel for the Debtor, counsel for the Purchaser, counsel for UPN, and the United States Trustee. Within two (2) business days after the entry of this Order, Counsel for the Debtor shall file a certificate with the Court certifying that such service has been effected. If any of the Additional Parties to be Notified shall file a timely written objection, the Court will hold a hearing on the objection at ~~10:30~~^{10:30} o'clock a.m., on April 13, 2004, in Courtroom 1401, U.S. Courthouse, 75 Spring Street, Atlanta, Georgia, and this Order shall continue to be stayed pending a ruling on any such objection. If no such objection is timely filed, the Bankruptcy Rules Stay shall expire at the expiration of the Bankruptcy Rules Stay Period without the necessity of any further Order of this Court. Nothing in this paragraph 37 shall be deemed to extend the time for filing an appeal to this Order for any party in interest other than an Additional Party to be


Notified that files a timely objection to the relief granted in this Order. Accordingly, any party objecting to this Order must exercise due diligence in filing an appeal and obtaining a stay or risk its appeal being foreclosed or dismissed as moot in the event the Purchaser and the Debtor elect to close after the expiration of the stay provided for in Paragraph 37.

38. The Court finds that, as supplemented by the notice and opportunity for a hearing procedures provided for in paragraph 37 of this Order, notice of the Motion and the relief requested therein shall have been proper, timely, adequate and sufficient in accordance with sections 102(1), 105(a), 363, 365 and 1146 of the Bankruptcy Code, and Rules 2002, 6004, 6006 and 9014 of the Bankruptcy Rules.

39. Upon the expiration of the stay provided for in paragraph 37 of this Order, provided that this Order has not been vacated or revoked and no stay pending appeal has been granted, the Debtor, Valley, and the Purchaser shall be free to close the Sale Transaction in accordance with the Asset Purchase Agreement and related documents at any time without further order of this Court. The Debtor, Valley, and the Purchaser shall do everything necessary or desirable to consummate the Sale Transaction

40. Upon the Closing, the Debtor/UPN Affiliation Agreement shall be deemed rejected.

Dated this 30 day of March, 2004 at Atlanta, Georgia



HONORABLE PAUL W. BONAPFEL
United States Bankruptcy Judge

[ADDITIONAL SIGNATURES ON NEXT PAGE]

Order prepared and presented by:

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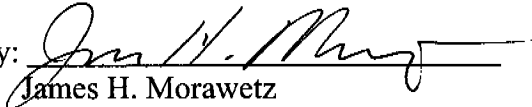
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[ADDITIONAL SIGNATURES ON NEXT PAGE]

Reviewed without objection by:

OFFICE OF THE UNITED STATES TRUSTEE

By: 

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EXHIBIT A

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement"), dated as of February 24, 2004, is made and entered into by and among FLORENCE TELEVISION, LLC, a Georgia limited liability company, as Debtor in Possession in Chapter 11 Case 02-81667-PWB in the United States Bankruptcy Court for the Northern District of Georgia ("Florence"), VALLEY TELEVISION, LLC, a Georgia limited liability company ("Valley" with Valley and Florence sometimes referred to jointly as "Sellers" and each a "Seller"), and HUNTSVILLE TV., L.L.C., a Virginia limited liability company, or its designee ("Purchaser");

WITNESSETH:

WHEREAS, Sellers own interests in and to certain broadcast television assets associated with the operation of WHDF-TV in the Huntsville-Decatur-Florence, Alabama designated market area (the "Business" or the "Station"); and

WHEREAS, on November 12, 2002 (the "Petition Date"), Florence filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code"), commencing Case No. 02-81667-PWB (the "Chapter 11 Case"), in the United States Bankruptcy Court for the Northern District of Georgia, Atlanta Division (the "Bankruptcy Court"); and

WHEREAS, Sellers desire to sell to Purchaser, and Purchaser desires to purchase from Sellers substantially all of the assets of Sellers, tangible and intangible, including without limitation all FCC licenses pertaining to the operation of the Business, all in the manner and subject to the terms and conditions set forth herein and in accordance with sections 105, 363 and 365 of the Bankruptcy Code; and

NOW, THEREFORE, for Ten Dollars (\$10.00) and in consideration of the mutual benefits to be derived from this Agreement and of the representations, warranties, conditions, agreements and promises contained herein and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the Sellers and Purchaser hereby agree as follows:

ARTICLE I

PURCHASE AND SALE OF ASSETS

1.1 Definitions. As used herein, the following terms shall have the meanings set forth in this Article:

1.1(a) "Accounts." All accounts receivable of the Sellers in existence at the Closing, including, without limitation, those accounts receivable set forth on Schedule 1.1(a) attached hereto to the extent still outstanding as of the Closing.

1.1(b) "Assets." All of Sellers' right, title and interest in all properties, assets, and rights of any kind, whether tangible or intangible, real or personal, owned, licensed or leased, by Sellers in connection with or incidental to the operation of the Business or otherwise, including without limitation, all Accounts, instruments, equipment, furniture, fixtures, leasehold improvements, Inventory, supplies, Records, goodwill, Leases, Contracts, licenses, permits, approvals, franchises, authorizations, rights, insurance claims and insurance proceeds (unless such claims arise solely in connection with an Excluded Asset) and the Tower (as defined in Section 4.1(h)), but excluding those Excluded Assets described in Section 1.3 hereof. A list of all known Assets is set forth as Schedule 1.1(b) attached hereto solely for illustrative purposes and not by way of limitation, it being the intention of the Sellers to convey all of its owned, licensed, or leased assets that in any way relate to the operation of the Business, whether or not listed on Schedule 1.1(b), other than Excluded Assets. Without limiting the foregoing, the Assets shall include such Contracts of the Sellers as Purchaser shall designate on Schedule 1.4 for assumption and assignment provided however, that such assumption and assignment shall be subject to determination of the amount necessary to cure any defaults under such Contracts and to a determination of the method for curing such defaults. Sellers shall be responsible for payment of such cure amounts up to \$10,000.00 from the proceeds of this transaction with any additional cure amounts to be paid by Purchaser in addition to the Purchase Price.

1.1(c) "Bankruptcy Claims." All of the claims of Florence that are specifically reserved in favor of Florence pursuant to the Extended Final Cash Collateral Order entered on June 12, 2003 by the Bankruptcy Court relating to the cash collateral of UPN, as said Order has been or may be amended or supplemented from time-to-time, and including but not limited to any claims of Florence under Chapter 5 of the Bankruptcy Code.

1.1(d) "Closing" or "Closing Date." The date upon which all the events associated with the purchase and sale described herein actually occur, as described in Section 1.7.

1.1(e) "Contracts." All of Sellers' rights in and under all affiliation, marketing, representation, airtime, programming, licensing, purchase order, service, supply, maintenance, equipment, Leases, and other contracts (whether purchase, sale, or otherwise) affecting or involving the operation of the Business. A complete list of all known material Contracts is listed on Schedules 1.1(e) and 1.1(i) attached hereto, solely for illustrative purposes and not by way of limitation

1.1(f) "Environmental Laws." All federal, state and local laws, ordinances and regulations pertaining to air and water quality, soils and subsurface strata, groundwater, wetlands, landfills, open dumps, storage tanks, underground storage tanks, solid waste, waste water, storm water runoff, waste emissions, wells, natural resources, hazardous materials, waste generation, management, transportation and disposal or other environmental matters, whether civil or criminal, promulgated or issued. Without limiting the generality of the foregoing, the term shall encompass each of the following statutes

and any regulations promulgated thereunder, and all amendments and successors to such statutes and regulations, as may be enacted and promulgated from time to time: (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (codified in scattered sections of 26 U.S.C.; 33 U.S.C.; 42 U.S.C. and 42 U.S.C. § 9601 et seq.); (ii) the National Environmental Policy Act of 1969 (42 U.S.C. § 4321); (iii) the Superfund Amendment and Reauthorization Act of 1986 (codified in scattered sections of 10 U.S.C., 29 U.S.C., 33 U.S.C. and 42 U.S.C.); (iv) Title III of Superfund Amendment and Reauthorization Act (40 U.S.C. § 1101 et seq.); and (v) the Federal Solid Waste Disposal Act (42 U.S.C. § 6901 et seq.).

1.1(g) “Intellectual Property.” All patents, trademarks, trade secrets, proprietary processes or rights, copyrights, trade names, service marks, internet domain names any applications or agreements for or relating to any of the foregoing including, without limitation, the name WHDF-TV, audiotapes and videotapes created by and for the benefit of Sellers, advertisement designs and scripts, logos, musical scores associated in the marketplace with Sellers’ broadcasts, lists of suppliers, goodwill (including the exclusive right to represent itself as carrying on the Business in succession to Sellers), marketing literature, electronic systems and databases, common law or implied rights to use intellectual property, claims, and rights to recovery or offset of any kind or character arising from or concerning the Sellers and/or the Business, including, without limitation, confidentiality obligations and similar obligations, and all other intangible property rights of Sellers utilized in connection with, or related to, the operation of the Business.

1.1(h) “Inventory.” All of the stock in trade, supplies, and inventory used or useful in the operation of the Business as stocked by Sellers in accordance with normal ordering procedures including without limitation, the inventory listed in Schedule 1.1(h) attached hereto, but not including any inventory used or sold prior to the Closing in the ordinary course and in accordance with orders of the Bankruptcy Court.

1.1(i) “Leases.” All of Sellers’ rights and obligations in and under all real and personal property lease agreements, including, without limitation, Sellers’ rights and obligations, if any, in and under the leases listed on Schedule 1.1(i) attached hereto.

1.1(j) “Licenses.” All of the licenses and other authorizations issued by the FCC, as hereinafter defined in Section 1.9, to Sellers for the operation of the Business, a complete listing of which is identified in Schedule 1.1(j) hereto.

1.1(k) “Records.” All customer, inventory, billing and supply records, product information, product drawings, production documentation, material specifications, equipment lists, formulae, specifications, plans, reports, data, notes, correspondence, marketing and production material, files, instruction or maintenance manuals for equipment, and all other books and records relating to the operation of the Business.

1.1(l) “Trade Payables.” Those accounts payable of Sellers owed to trade vendors as identified in Schedule 1.1(l) hereto.

1.1(m) “To the knowledge of Seller” shall mean the actual knowledge of Gary Kneller, the General Manager of Florence.

1.1(n) "Tower Lease" shall mean that certain ground lease dated as of April 29, 1999 entered by and between UPN Properties, Inc., as Tenant, and Ronnie Davis (a/k/a Ronald G. Davis) and his wife Patsy Davis (a/k/a Patsy D. Davis), as Landlord, relating to property on which Sellers erected its transmission tower, buildings, and equipment.

1.1(o) "Tower Sublease" shall mean that certain ground sublease dated as of April 29, 1999 entered by and between Florence Television, LLC, as Sublessee, and UPN Properties, Inc. as Sublessor, relating to the same property leased to UPN Properties, Inc. pursuant to the terms of the Tower Lease.

1.1(p) "UPN" shall mean The United Paramount Network.

1.2 Purchase and Sale. Subject to the terms and conditions set forth herein, and subject to the court and regulatory approvals specified in Sections 4.1 and 4.2, on the Closing Date, Sellers shall sell and deliver to Purchaser, and Purchaser shall purchase from Sellers, the Assets, free and clear of any and all liens, claims, encumbrances or interests except as specifically permitted herein.

1.3 Excluded Assets. The Assets shall not include any of the following (collectively, the "Excluded Assets"):

(a) Cash and cash equivalents (other than Accounts) including, without limitation, the Deposit as defined in Section 1.5;

(b) All Accounts;

(c) Any tax refunds to which Sellers may be entitled;

(d) Bankruptcy Claims; and

(e) Any and all existing network affiliation agreements to which either Seller is a party, including without limitation any such agreements between either Seller and UPN or any affiliate of UPN.

(f) Such other assets as Purchaser shall designate for exclusion, in its sole discretion, including without limitation, such Contracts as may be designated for exclusion by Purchaser prior to the Closing Date. Sellers acknowledge and agree that Purchaser's willingness to acquire certain assets will be subject to Purchaser's ongoing diligence and in some circumstances, the renegotiation of agreements and instruments affecting such assets. Notwithstanding Purchaser's right to exclude assets, nothing herein shall be deemed to give Purchaser the right to delay or terminate its obligation to close based upon the results of any due diligence investigation, unless otherwise permitted in this Agreement.

1.4 Assignment and Assumption of Liabilities.

(a) Assumed Liabilities. Purchaser shall assume and agree to pay all obligations (the "Assumed Liabilities") under the Contracts which Purchaser expressly assumes pursuant to this Agreement, as set forth on Schedule 1.4 (the "Assumed Contracts"), which schedule Purchaser, in its sole discretion, may amend by deletion up to and including the date of Closing. All costs to cure the Assumed Contracts, to the extent required by operation of 11 U.S.C. § 365, shall be governed by Section 1.1(b). Obligations arising from the operations of the Station during the Term of this Agreement shall be made in the manner set forth in the Local Marketing Agreement attached hereto as Exhibit A.

(b) No Other Liabilities Assumed. Except for the Assumed Liabilities, Purchaser shall not assume or be deemed to assume any liability or obligation of Sellers, and Sellers shall remain fully liable and responsible for its liabilities and obligations that are not Assumed Liabilities, including but not limited to any pre-petition claims of Florence (collectively, the "Retained Liabilities").

1.5 Deposit. Purchaser and Sellers hereby acknowledge that concurrently with the execution hereof, Purchaser has delivered to counsel for Sellers, as escrow agent (the "Pre-Closing Escrow Agent"), either (i) cash, or (ii) an irrevocable letter of credit from a bank in a form reasonably acceptable to Sellers, in each case in the amount of Two Hundred Fifty Thousand Dollars (\$250,000.00), which amount or letter of credit shall be held for the benefit of Purchaser and Sellers (collectively, the "Deposit"), pursuant to the terms of this Agreement. The Deposit shall at Closing be credited as a partial payment of the Purchase Price payable by wire transfer at the Closing to Sellers (and if a letter of credit is provided, Sellers shall be entitled to draw on such letter of credit for application against the Purchase Price unless Purchaser and Sellers agree otherwise). The Deposit, if provided in cash, shall, at all times prior to its release or return in accordance with the terms of this Agreement, be held by the Escrow Agent in escrow in a segregated interest bearing account, and in any event held in accordance with the terms of this Agreement and the Pre-Closing Escrow Agreement in the form of Exhibit C attached hereto, and, except for interest collected on the Deposit, no other money or funds shall be commingled in such account. All interest earned shall remain, at all times, property of the Purchaser. The Deposit shall be fully refunded to Purchaser within five (5) business days after the occurrence of any of the following: (i) the conditions precedent in Section 4.1 are not either satisfied or waived by Purchaser; (ii) in the event of termination of this Agreement by Purchaser pursuant to Section 7.2 (a) or (b); (iii) in the event that the Closing does not occur or this Agreement is terminated as a result of breach or default by a Seller of any of its obligations hereunder, or as a result of any other action, inaction or other failure or inability to perform on the part of a Seller; (iv) in the event that a Seller terminates this Agreement pursuant to Section 7.2(c)(i) (except pursuant to a breach of Section 4.2(d) or pursuant to Section 7.2(c)(ii)); (v) in the event that this Agreement is terminated by any party pursuant to Section 1.7; (vi) in the event that this Agreement is terminated by any party pursuant to Section 1.9; (vii) in the event that Purchaser terminates this Agreement pursuant to Section 3.6(a); (viii) in the event that Purchaser terminates this Agreement pursuant to Section 3.6(b); or (ix) in the event that Purchaser terminates this Agreement pursuant to Section 3.6(d). The Deposit, including any interest earned thereon, shall be delivered to Sellers (i) in the event of termination of this Agreement by a Seller pursuant to Section 7.2(c)(ii); (ii) in the event that Purchaser fails to close after all of the conditions

precedent in Section 4.1 have been either satisfied or waived; or (iii) in the event that the Closing does not occur or this Agreement is terminated as a result of Purchaser's breach or default of any of its obligations under this Agreement. Delivery of the Deposit to Sellers in accordance with the foregoing shall constitute full and exclusive compensation for any and all losses and expenses incurred by Sellers, and as such shall constitute full and liquidated damages and not a penalty. In addition to the foregoing, the Deposit shall be governed by an escrow agreement acceptable to each of Purchaser, the Sellers, and the Pre-Closing Escrow Agent.

1.6 Purchase Price. The purchase price for the Assets shall be (i) Five Million Five Hundred Thousand Dollars (\$5,500,000) (the "Cash Consideration"), plus (ii) an assumption of the Assumed Liabilities (collectively, the "Purchase Price"). The Cash Consideration shall be paid in full in cash or other immediately available funds at Closing. The Deposit, including any interest earned hereon, shall be credited against the Purchase Price at Closing. In addition to paying the Cash Consideration as provided in Section 4.3(b)(i), the Purchaser will assume the Assumed Liabilities effective as of the Closing. Except as otherwise specified herein, the term "Dollars" or "\$" as used in this Agreement refers to United States Dollars. At the Closing, the net amount of the Purchase Price payable by Purchaser shall be adjusted as appropriate for any applicable credits and pro-rated amounts. Not less than five (5) business days prior to the Closing, the parties shall agree as to a closing statement identifying any and all such credits and pro-rated amounts, which closing statement the parties shall update as of the Closing, if necessary.

1.7 Closing. The Closing shall occur within five (5) business days after the later of (i) entry of the Sale Order (as defined in Section 3.1(b)), and (ii) the issuance of a final order of the FCC approving of the transfer of the Licenses to Purchaser or its assignee, at the offices of Robinson, Jampol, Aussenberg & Schleicher, LLP, 11625 Rainwater Drive, Suite 350, Alpharetta, Georgia, 30004, or such other place as Sellers and Purchaser shall agree, and shall be effective as of 11:59 p.m. Eastern Standard Time on the date of Closing; provided, however in the event that Closing shall not have occurred on or before September 15, 2004, either Purchaser or a Seller may terminate this Agreement upon written notice to the other parties, notwithstanding any provision in this Agreement to the contrary, unless the party purporting to terminate this Agreement has been responsible for the delay.

1.8 Allocation of Purchase Price. The Purchase Price shall be allocated among the Assets in accordance with Schedule 1.8 to be provided at or before the Closing Date.

1.9 FCC Consent. The sale and transfer of the Assets to Purchaser are subject to approval of an assignment to Purchaser of the Licenses by the Federal Communications Commission ("FCC") pursuant to a final order issued by the FCC without condition(s) unacceptable to Purchaser in its reasonable discretion and otherwise in form and substance acceptable to Purchaser in its reasonable discretion. Sellers and Purchaser shall, within seven (7) days after the submission of this Agreement for approval by the Bankruptcy Court by appropriate motion(s), proceed to prepare and file with the FCC the necessary applications (the "Applications") requesting the grant by the FCC of an order consenting to the assignment of the License(s) to Purchaser or its designee, together with all other appropriate instruments, provided, however, if the Applications have not been filed within thirty (30) days after the submission of this Agreement for approval by the Bankruptcy Court, Purchaser or Sellers (but, in the case of Sellers, only with the written consent of UPN) may terminate this Agreement upon written notice

to the other parties, unless the party purporting to terminate this Agreement has been responsible for the delay. The parties shall cooperate with each other in the preparation of the Applications and shall in good faith and with due diligence take all reasonable steps necessary to expedite the processing of the Applications and, once filed, to secure such consents or approvals as expeditiously as practicable, each of the parties to bear its own respective costs and expenses with respect to each of the foregoing. Each of Sellers and Purchaser shall deliver a draft of its portion of the Applications to the others for review and comment within five (5) business days of the date of this Agreement. If the Closing shall not have occurred for any reason within the initial effective periods of the granting of the FCC approval of any of the Applications, and no party shall have terminated this Agreement under Section 7.2, the parties shall jointly request and use their respective commercially reasonable efforts to obtain one or more extensions of the effective periods of such grants. No party shall knowingly take, or knowingly fail to take, any action the intent or reasonably anticipated consequence of which would be to cause the FCC not to grant approval of the Applications, provided, however, that Purchaser's acts and/or omissions with respect to the Station pursuant to the LMA shall not be deemed to be a violation of the foregoing, so long as such act or omission does not constitute a breach by Purchaser of the LMA.

1.10 Publications of Notices, etc. Sellers shall publish the notices required by the FCC relative to the filing of the Applications promptly after the date of such filing. Copies of all Applications, documents and papers filed after the date hereof and prior to the Closing, or filed after the Closing with respect to the transactions under this Agreement, by Sellers or Purchaser with the FCC, shall be mailed to the other and to UPN simultaneously with the filing of the same with the FCC. None of the information contained in any filing made by Purchaser or Sellers with the FCC with respect to the transactions contemplated by this Agreement shall knowingly contain any untrue statement of a material fact.

1.11 Subject to Sale Order. The transactions contemplated in this Agreement shall be expressly subject to the entry of the Sale Order (as defined in Section 3.1(b)) by the Bankruptcy Court, which order shall have continued in full force and effect and shall not have been vacated, revoked or modified in a manner unacceptable to Purchaser as of the Closing Date.

ARTICLE II

SELLERS' REPRESENTATIONS AND WARRANTIES

2.1 Sellers' Representations. Sellers, jointly and severally, hereby represent and warrant to Purchaser that to the knowledge of Sellers (unless otherwise specified), as of the date hereof and also as of the Closing Date, giving effect to the Sale Order, and except as set forth in the Schedules corresponding to the Section numbers of this Article II:

(a) Organization. Each Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Georgia. Each Seller has full corporate power to execute and deliver this Agreement and to perform its obligations hereunder, to own, lease and operate its properties, and to carry on its business as now being conducted. Except as shown on Schedule 2.1(a), each Seller is duly qualified to do business and is in good standing in each jurisdiction in which such qualification is necessary because of the property owned, leased or operated by it or because of the nature of its business as now being conducted, which jurisdictions are indicated on Schedule 2.1(a).

(b) Authority and Binding Agreement. This Agreement has been duly authorized, executed and delivered by Sellers and, subject to the approval of the Bankruptcy Court and the FCC, is the valid and binding obligation of Sellers. This Agreement is enforceable against Sellers in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws of general applicability relating to or affecting creditors' rights and to general equity principles.

(c) Conflicts; Consents. Except as shown on Schedule 2.1(c), neither the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby by Sellers nor compliance by any such party with any of the provisions hereof (as well as all other instruments, agreements, certificates or other documents contemplated hereby) will (i) conflict with or result in a breach of, or require any consent or approval under, the charter, by-laws, or other constitutive documents, as applicable, of such party, except for any such conflict, breach or requirement with respect to which requisite waivers, consents or approvals shall be obtained before the Closing (which waivers, consents and approvals are set forth in Schedule 2.1(c)), (ii) give rise to any right of termination, cancellation, acceleration, or modification under any of the provisions of any material contract, agreement or other instrument to which such party is a party, (iii) to the best of Sellers' knowledge violate any law, statute, rule, regulation or order, (iv) violate any writ, injunction or decree applicable to such party or the properties or assets of such party, or (v) result in the creation or imposition of any security interests, liens, pledges, charges, escrows, options, rights of first refusal, mortgages, indentures, security agreements or other encumbrances (each, a "Claim," and collectively, "Claims") on any of the Assets, in each case in any manner that could reasonably be expected to delay or prevent the Closing or the consummation of the transactions contemplated hereunder or prevent Purchaser from receiving good and marketable title to the Assets, free and clear of any Claims. Except as set forth in Schedule 2.1(c), no consent or approval by, or any notification of or filing with, any governmental authority or body is required in connection with the execution, delivery and performance by such party of this Agreement or the consummation of the transactions contemplated hereby.

(d) Schedules and Statements. The schedules and statements of financial affairs, as amended, which were filed by Florence with the Bankruptcy Court are attached hereto as Schedule 2.1(d).

(e) Absence of Material Adverse Change. Except as set forth in Schedule 2.1(e), since the Petition Date, there has not been any damage, destruction or loss (whether or not covered by insurance) affecting any Asset or property of Sellers that is materially adverse to the conduct of the Business.

(f) Assets, Personal Property and Related Matters. Except as expressly stated otherwise in this Agreement and except as set forth on Schedule 2.1(f), Sellers will deliver to Purchaser at Closing good legal and equitable title to all personal property Assets and good record title to, or a valid leasehold interest in, as applicable, all of the real property Assets, AS IS and WHERE IS with no representation or warranties of any kind, except as to title and as otherwise expressly provided in this Agreement, and in each case free and clear of all Claims. Any real property included among the Assets shall be insurable by a reputable title insurance company, at Purchaser's sole cost and expense, subject only to the terms of the title insurance

policy and exceptions identified on the Schedules hereto and exceptions that, in the aggregate, do not have a material adverse effect on the Assets or on the Purchaser's ability to operate the Assets substantially as they had been operated by Sellers. The Assets are suitable for the purposes for which they are now being used and, together with the Excluded Assets, constitute all of the properties, assets, interests and rights (not including employees or non-transferable governmental or regulatory approvals) necessary, appropriate, used or useful to operate the Business consistent with past or current practice (excluding properties owned by non-insider third parties).

(g) Owned and Leased Real Property.

(i) Attached hereto as Schedule 2.1(g) is a true and complete list (with the exception of the Tower Sublease) of all real estate and real property rights (whether in the form of ownership or leasehold rights) held by Florence (the "Real Property"), including the nature of Florence's ownership interest therein. Valley neither owns nor leases any real property.

(ii) With respect to the Real Property that is leased, except as set forth in Schedule 2.1(g), Florence is in compliance with such leases in all material respects. The status of the Tower Sublease is as set forth on Schedule 2.1(g).

(iii) The Real Property includes sufficient rights in its rights of way and other real property interests to allow access to the Real Property from public ways without material interference.

(iv) Except as set forth on Schedule 2.1(g), the Real Property is not subject to any liens or encumbrances.

(h) Intellectual Property. Schedule 2.1(h) sets forth all (i) patents, patent applications, patent disclosures, inventions; (ii) trademarks, service marks, trade names, logos and corporate names and registrations and applications for registration and applications for registration thereof, together with all of the goodwill associated therewith; (iii) registered and unregistered copyrights; (iv) computer software (other than general commercial software), data, data bases and documentation thereof; and (v) domain names and URLs used by Sellers in the course of their business, all of which Sellers are transferring to Purchaser pursuant to this Agreement, other than Excluded Assets. Except as set forth on Schedule 2.1(h), Sellers are not currently infringing upon any intellectual property rights of any other Person and no other Person is infringing upon, or challenging the validity of, the Intellectual Property.

(i) Agreements. Sellers have delivered to Purchaser a true, complete and correct schedule of all material executory contracts to which any Seller is a party. Seller has provided Purchaser and its representatives with access to a true, complete and correct copy of each such contract.

(j) Environmental Regulations. Except as set forth on Schedule 2.1(j) and in the materials listed on said Schedule, each Seller is in compliance with all Environmental Laws in all material respects. Except as set forth on Schedule 2.1(j), no Seller has received notice of any failure to comply with such Environmental Laws which could result in a material adverse effect

on the Assets. Schedule 2.1(j) sets forth all material federal, state, provincial and local governmental licenses and permits issued under Environmental Laws necessary to conduct businesses of such party as presently being conducted. Except as set forth on Schedule 2.1(j) and in the materials listed on said Schedule, there are no conditions existing on any real property owned or leased by such party that give rise to any material violation of any Environmental Law. Issues arising under Environmental Laws are addressed solely in this Section and not, for example, under Section 2.1(m) hereof.

(k) Governmental Regulations. Except as set forth on Schedule 2.1(k), no federal, state, or local governmental licenses or permits necessary for Sellers to conduct the Business as presently being conducted has been suspended or revoked at any time within the three (3) years prior to the date of this Agreement.

(l) Prepayments. Except as indicated on Schedule 2.1(l), no Seller has received any prepayment for services to be performed or goods to be delivered by Purchaser after the Closing Date.

(m) Brokers. Except as set forth in Schedule 2.1(m), no agent, broker, investment banker or any other Person acting on behalf of or under the authority of a Seller is or will be entitled to any broker's or finder's fee or any other commission or similar fee directly or indirectly from any of the parties hereto in connection with any of the transactions contemplated hereby, and in no event shall Purchaser be obligated to pay such Person.

(n) All Assets Transferred. The Assets, together with the Excluded Assets, include all of the assets, properties, licenses, contracts, and other rights (not including employees or non-transferable governmental or regulatory approvals) licensed, leased or owned by Seller.

(o) Survival of Warranties and Representations; Limitation or Damages. Sellers' representations and warranties shall survive the Closing.

2.2 Representations and Warranties by Purchaser. Subject to the provisions of Section 7.7, Purchaser represents and warrants to Sellers, as of the date hereof and again at and as of the Closing Date, as follows:

(a) Organization, Standing and Power. Purchaser is a limited liability company duly organized, validly existing and in good standing under the laws of the Commonwealth of Virginia. Purchaser is (or as at the date of closing will be) qualified to do business in each jurisdiction necessary to consummate the transactions contemplated hereby and perform its obligations hereunder. Purchaser has full organizational power and authority to execute and deliver this Agreement and to perform its obligations hereunder and to own, lease and operate its properties and to carry on its business as now being conducted.

(b) Authority; Binding Agreement. This Agreement has been duly authorized, executed and delivered by Purchaser and, subject to the approval of the Bankruptcy Court and the FCC, is the valid and binding obligation of Purchaser, enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws of general applicability relating to or affecting creditors' rights and to general equity principles.

(c) Conflicts; Consents. Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor compliance by Purchaser with any of the provisions hereof (as well as all other instruments, agreements, certificates or other documents contemplated hereby) will (i) conflict with or result in a breach of, or require any consent or approval under, the certificate of formation or operating agreement of Purchaser, (ii) conflict with or result in a default (or give rise to any right of termination, cancellation, acceleration or modification) under, or require any consent or approval under, any of the provisions of any note, bond, lease, mortgage, indenture, license, franchise, permit, agreement or other instrument or obligation to which Purchaser is a party, or by which Purchaser or its properties or assets, may be bound or affected, except for such conflict, breach or default as to which requisite waivers or consents shall be obtained before the Closing or (iii) violate any law, statute, rule, regulation, order, writ, injunction or decree applicable to Purchaser or its properties or assets. Except as set forth in Schedule 2.2(c) (which may be amended by addition or deletion, up to and including the date of Closing), no consent or approval by, or any notification of or filing with, any governmental authority or body is required in connection with the execution, delivery and performance by Purchaser of this Agreement or the consummation of the transactions contemplated hereby.

(d) Brokers. No agent, broker, investment banker or other Person acting on behalf of Purchaser or under the authority of Purchaser is or will be entitled to any broker's or finder's fee or any other commission or similar fee directly or indirectly from Sellers or UPN in connection with any of the transactions contemplated hereby.

ARTICLE III

ADDITIONAL AGREEMENTS

3.1 Bankruptcy Actions.

(a) **Intentionally omitted.**

(b) Immediately upon the signing of this Agreement, Florence shall file and prosecute in good faith a motion (the "Sale Motion") seeking the approval of this Agreement and the LMA by the Bankruptcy Court. Sellers shall use their best efforts to obtain an order granting the relief requested in the Sale Motion, approving this Agreement and the LMA and approving the sale and assignment under this Agreement of the Assets of Florence free and clear of all liens, encumbrances, claims and interests (the "Sale Order") as soon thereafter as possible but in no case later than the Closing Date, which order shall be substantially in the form attached hereto as Exhibit B.

(c) Sellers shall comply (or obtain an order from a competent court waiving compliance) with all applicable laws and regulations, including, without limitation, requirements under the Bankruptcy Code and the Federal Rules of Bankruptcy Procedure, in connection with obtaining approval of the sale of the Assets to Purchaser under this Agreement.

3.2 Intentionally omitted.

3.3 Expenses. Each party hereto shall bear its own costs and expenses incurred in connection with the transactions contemplated by this Agreement.

3.4 Preservation of Assets. From the date hereof until the earlier of the termination of this Agreement or the Closing Date, except as expressly permitted by this Agreement or except with Purchaser's prior written consent, Sellers shall preserve the material Assets in good operating condition such that the Business may be operated without Purchaser incurring material repair or maintenance expense. Without limiting the foregoing, within five (5) business days after the date of the Sale Order, Sellers shall acquire and be responsible for all premiums through the Closing Date with respect to one or more property insurance policies insuring the Assets through the Closing Date, each such policy: (a) to be acceptable to Purchaser in its reasonable discretion; (b) to name Purchaser as an additional insured; and (c) to expressly provide that it shall not expire or be amended or terminated absent at least thirty (30) days' prior, written notice to Purchaser. The term of each such policy shall be not less than six (6) months from the date of the Sale Order. In the event that Seller fails to maintain any policy as required pursuant to this Section 3.4, Purchaser shall have the right, but not the obligation, to maintain any such policy at Sellers' expense, with any amounts so expended by Purchaser to be credited against the Purchase Price on the Closing Date.

3.5 Further Assurances. Each of the parties hereto agrees to use all commercially reasonable efforts to take, or cause to be taken, all action, and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations, to consummate and make effective the transactions contemplated by this Agreement as expeditiously as practicable and to ensure that the conditions set forth in Article IV hereof are satisfied, insofar as such matters are within the control of such party. In case at any time after the Closing Date any further action is necessary or reasonably desirable to carry out the purposes of this Agreement, each of the parties to this Agreement shall take or cause to be taken all such action, to the extent commercially reasonable, including the execution and delivery of such further instruments and documents, as may be reasonably requested by another party for such purposes or otherwise to complete or perfect the transactions contemplated hereby; provided, however, that no party shall be required to take any action or execute and deliver any document that increases or extends its liability beyond that set forth herein. Without limitation of the foregoing, Sellers shall execute and deliver such affidavits and other documents as may reasonably be requested (including affidavits relating to Sellers' operations) by Purchaser and/or Purchaser's title and other insurers solely for purposes of obtaining a title or other insurance policy satisfactory to Purchaser.

3.6 Delivery of Schedules; Access and Information.

(a) As soon as reasonably possible, and in any event on or before the execution of this Agreement, Sellers shall deliver to Purchaser full and complete Schedules, except that Purchaser shall be responsible for the delivery of Schedule 1.4. On or before the time of Closing, each party shall have the right to amend and supplement the Schedules delivered to the other party to clarify or amend their contents. A party receiving an amended Schedule after the execution of this Agreement which discloses a materially adverse change therein shall have the option to (i) reject the Schedules and terminate this Agreement, without any further liability hereunder, or (ii) accept the Schedules (subject to any changes or modifications that may have been agreed upon by Seller and Purchaser or as otherwise contemplated herein). Any amendments to the Schedules not disclosing a materially adverse change shall be deemed

accepted. Amended Schedules accepted or deemed accepted shall thereupon constitute a part of this Agreement with the same force and effect as if originally attached hereto. Failure by Purchaser to give written notice of rejection of the Schedules within the period specified above shall constitute acceptance by Purchaser of such Schedules.

(b) From the date hereof until the earliest of the Closing Date and the date of termination of this Agreement, Sellers shall continue to permit Purchaser and its agents and representatives (including without limitation their lenders and financial advisors) to have access to Sellers, their affiliates and subsidiaries, if any, and their respective officers, counsel, auditors, books and records, and the opportunity to investigate Sellers, their affiliates and the property and the condition and nature of their assets, business and liabilities, in each case upon reasonable notice and during normal business hours. If, during such investigation, Purchaser identifies facts or conditions that could not reasonably have been discovered by Purchaser as of the date that the Schedules are accepted by Purchaser and that render Sellers' Representations untrue or inaccurate in one or more material respect, or otherwise could reasonably be expected, individually or in the aggregate, to materially adversely affect the Assets or Purchaser's use, operation or exploitation of the Assets, then Purchaser may, by written notice delivered to Sellers within seven (7) business days of Purchaser's receipt of such facts or conditions, terminate this Agreement.

(c) Likewise, to the extent that possession, custody or control of the books and records of the Sellers is transferred to the Purchaser prior to Closing as a result of the obligations assumed by each party under the LMA, Purchaser shall permit Sellers and their agents and representatives to have access to the books and records of Sellers at all times at the premises owned or leased by Sellers prior to Closing in order to comply with their obligations under the LMA or as may be required by FCC regulations or other applicable laws. Additionally, to the extent reasonably necessary to enable the Sellers to collect on the Accounts, Purchaser shall permit Sellers and their agents and representatives access to those books and records of Purchaser relating to the customers of the Business indebted to Sellers pursuant to the Accounts.

(d) From the date hereof until two days prior to the scheduled hearing on the approval of the Sale Order, Purchaser shall have the right to conduct, directly or through agents and contractors, at their expense and risk, full environmental surveys of all Real Property owned by a Seller. Purchaser shall use commercially reasonable efforts to cause such surveys to be conducted as quickly as possible. All survey results shall be made available to Sellers and, in the event that this Agreement is terminated, the information and documentation relating to such work shall, subject to reimbursement by Sellers of Purchaser's costs and expenses in connection with such work, become the property of Sellers and Purchaser shall retain no rights in such work. Prior to the Closing, Purchaser shall not contact any governmental agencies or agents concerning hazardous wastes, toxic substances, petroleum products or oil wastes or the existence of any underground tanks unless with the consent of the Sellers or the Bankruptcy Court, or as required by law, and the Sellers shall have the option of participating in any such contacts. In the event that Purchaser is denied the right to so contact a governmental agency or agent, Purchaser shall have the right to terminate this Agreement upon written notice to Sellers.

3.7 **Intentionally omitted.**

3.8 **Tax Matters and Covenants.**

(a) Sellers shall cause to be included in their income Tax Returns for all periods (or portions thereof) ending on or before the Closing Date (a "Pre-Closing Tax Period") all tax items arising during such periods (or portions thereof). Purchaser will cause to be included in its Tax Returns for all periods (or portions thereof) beginning after the Closing Date (a "Post-Closing Tax Period") all tax items relating to the Assets during such periods (or portions thereof). As used in this Agreement, "Tax Return" means returns, reports, information statements and other documentation (including any additional or supporting materials) filed or maintained, or required to be filed or maintained, in connection with the calculation, determination, assessment or collection of any tax and shall include any amended returns required as a result of examination adjustments made by the Internal Revenue Service or other tax authority.

(b) Sellers shall cause the provisions of any tax sharing or indemnity agreement between Sellers and any of their affiliates to be terminated on or before the Closing Date.

(c) To the extent not excused under 11 U.S.C. §1146, all transfer, documentary, sales, use, stamp, registration, and other similar taxes and fees (including any penalties and interest) incurred in connection with this Agreement and the transactions contemplated hereby, other than income taxes, shall be paid one-half by Purchaser and one-half by Seller. Each party shall file, to the extent required by applicable law, all necessary Tax Returns and other documentation with respect to all such transfer or sales and use taxes. The parties shall cooperate with each other to minimize the amount of such transfer or sales and use taxes.

3.9 Notice of Developments. Sellers shall give prompt written notice to Purchaser of any material development affecting the Assets, Assumed Liabilities, or the Business, and each party hereto shall give prompt written notice to the others of any material development adversely affecting the ability of any such party to consummate the transactions contemplated hereby.

3.10 Employees. Purchaser shall not be obligated hereby to offer employment to any or all employees of Sellers. During the three-week period prior to the effective date of the LMA, Sellers shall make available to Purchaser for interviews such employees as Purchaser may designate, subject to the interest of any such employee to be interviewed. Sellers shall release from employment any employees that Purchaser desires to employ, and Sellers shall refrain from enforcing any restrictive covenants made by such employees that might interfere with Purchaser's ability to hire the employees.

3.11 Post-Closing Access and Information. Sellers acknowledge and agree that from and after the Closing Date, Purchaser will be entitled to possession of all documents, books, records, agreements, and financial data of any sort relating to the Assets, which shall be maintained at the chief executive office of Purchaser; provided, however, that Sellers, at their sole cost and expense and upon reasonable notice to Purchaser, shall be entitled to reasonable access to, and to make copies of, such books and records as necessary for the purposes of tax audits or litigation, or to collect the Accounts, or in connection with any bankruptcy or similar proceedings, or to the extent they relate to assets retained by Sellers, and Purchaser shall maintain such books, records and material financial data for a period of at least three (3) years. Purchaser agrees to cooperate with the Sellers' efforts to collect the Accounts, provided, however, that Purchaser shall have no obligation to engage in any affirmative collection

activities with respect to any Account, and Purchaser also agrees to make its accounting and record-keeping personnel available to Sellers at reasonable times during normal business hours, in exchange for reimbursement of the costs associated with such employee's time, to the extent reasonably requested by Sellers in connection with its access to and use of such materials.

3.12 Intentionally omitted.

3.13 Assumed Contracts. Prior to Closing, Sellers shall obtain an order of the Bankruptcy Court, authorizing Florence to assume and assign the Assumed Contracts to Purchaser pursuant to Section 365 of the Bankruptcy Code free and clear of any encumbrances. To the extent, if any, such consent is necessary, Sellers shall use best efforts to obtain the consent of any third party to the assignment of any Assumed Contract; provided, however, that Sellers need not pay any money or other consideration to such third party in excess of the amount specified in Section 1.1(b) hereof unless such amounts are paid, with UPN's written consent, either out of the proceeds of sale of the Assets or otherwise out of Cash Collateral of UPN. If, by the sixtieth (60th) day following the Closing Date and after using best efforts to obtain such consent, Sellers are unable to obtain any such consent, and Purchaser has not waived the necessity of obtaining such consent, then such assigned Contracts shall not be assigned and transferred to Purchaser (and shall be deemed Excluded Assets) and Purchaser shall not assume any liabilities or obligations with respect thereto. Nothing in this Section 3.13 shall be construed as imposing any obligation on Purchaser to make any cure payment with respect to any Contract.

3.14 Intentionally omitted.

3.15 Collection of Accounts. Purchaser and Sellers also agree that, to the extent Purchaser receives payments on any of the Accounts, Purchaser shall pay over to Florence such monies within fifteen (15) days of receipt. Conversely, Sellers agree to pay over to Purchaser, within fifteen (15) days of receipt, any monies received from any customer of the Business that represent payment on accounts receivable owned by Purchaser. In the absence of contrary designation by the account obligor, a payment shall be deemed to be made on the oldest outstanding invoice(s).

ARTICLE IV

CLOSING CONDITIONS

4.1 Conditions to Obligations of Purchaser. The obligations of Purchaser to perform hereunder and at the Closing are subject to the satisfaction, at or prior to the Closing, of the following conditions, unless waived by Purchaser:

(a) **Sale Order.** The Bankruptcy Court shall have entered the Sale Order in substantially the form attached hereto as Exhibit B. The Sale Order shall not have been vacated, stayed, amended, reversed or modified. The form of the Sale Order shall be satisfactory to Purchaser and shall include findings of fact that the Purchaser will be a purchaser in good faith for value for all purposes, including, without limitation, within the meaning of good faith purchaser as used in Section 363(m) of the Bankruptcy Code. Further, the Sale Order shall

contain (or be accompanied by) findings of fact and conclusions of law by the Bankruptcy Court that, among other things, find and conclude that (x) the transactions contemplated hereby are in good faith and otherwise satisfy the provisions of Sections 363 and 365 of the Bankruptcy Code, (y) the stays of Rules 6004(g) and 6006(d) of the Federal Rules of Bankruptcy Procedure shall not apply, and (z) Florence has complied with all applicable notice requirements with respect to the transactions contemplated by this Agreement. The Sale Order shall provide and declare that all right, title and interest of Florence under each of the Assumed Contracts shall, upon Closing, be transferred and assigned to and fully and irrevocably vest in Purchaser and remain in full force and effect and shall relieve Florence from any further obligations under the Assumed Contracts as provided for in 11 U.S.C. §365(k). The Sale Order or other order shall also declare and include or be accompanied by findings of fact and conclusions of law of the Bankruptcy Court which, among other things, shall determine and declare: (a) that each Assumed Contract is in full force and effect and is an executory contract of Florence under Section 365 of the Bankruptcy Code; (b) that Florence may assume each such Assumed Contract in accordance with Section 365 of the Bankruptcy Code; (c) that Florence may assign each such contract in accordance with Section 363 and 365 of the Bankruptcy Code and any provisions in any contract that prohibit or condition the assignment of such contract constitute unenforceable anti-assignment provisions which are void and of no force and effect; (d) that all other requirements and conditions under Section 363 and 365 of the Bankruptcy Code for the assumption and assignment by Florence of each such Assumed Contract have been satisfied; (e) that upon Closing, in accordance with Section 363 and 365 of the Bankruptcy Code, Purchaser shall be fully and irrevocably vested in all right, title and interest of each such contract and that following the Closing, each such Assumed Contract shall remain in full force and effect; (f) that the assignments of each such contract are in good faith under Section 363(b) and (m) of the Bankruptcy Code; (g) that the cure amount set forth for each Assumed Contract in the applicable exhibit to the Sale Motion shall be final and binding on the non-debtor party to the Contract unless a different amount is set forth in the Sale Order; and (h) that Florence gave due and proper notice of such assumption and assignment to each landlord, licensor, sublicensor and other non-debtor party under each such Assumed Contract as well as to any sublicensees, subtenants and landlords. The Sale Order shall further provide that, upon the Closing, the Affiliation Agreement dated as of April 29, 1999, by and between UPN and the Sellers shall be deemed rejected.

(b) Pending Actions. No action, suit or proceeding (including any proceeding over which the Bankruptcy Court has jurisdiction under 28 U.S.C. § 157(b) and (c)) brought by any Governmental Entity shall be pending to enjoin, restrain or prohibit the transactions contemplated hereby, or that would be reasonably likely to prevent or make illegal the transactions contemplated hereby.

(c) Sellers' Representations; Sellers' Performance. Sellers' Representations shall be true and correct in all respects, including without limitation, Sellers shall be in compliance with all Environmental Laws and all necessary federal, state and local permits are in place, except however, for matters which are not, in the aggregate, materially adverse to the assets, liabilities, financial condition, results of operations or business of Sellers, taken as a whole. Sellers shall have performed and complied in all material respects with all covenants and agreements required to be performed or complied with by it on or prior to the Closing Date.

(d) Deliveries by Sellers. Sellers shall be ready, willing and able to deliver to Purchaser the items specified in Section 4.3(a).

(e) Legal Bar. No injunction or orders issued by a court of competent jurisdiction that prohibits the consummation of the transactions contemplated herein shall be in effect.

(f) Diligence Regarding Operating Assets. Purchaser shall have had the opportunity to inspect all material operating Assets of the Sellers and all related Assets and facilities used in or in connection with the operations of Sellers within the one year period preceding the Closing for the purpose of determining that the same are in good working condition and fully operational for the purposes to which Purchaser will put such Assets.

(g) Requisite Consents. Sellers shall have received and delivered to Purchaser all consents, if any, that are required for the assumption and assignment to Purchaser of each of the contracts and agreements listed on Schedule 1.4, which Schedule may be amended by deletion up to the date of the Closing.

(h) Sale of Tower and Assignment of Tower Lease. (i) In addition to the other Assets, Purchaser shall be entitled to receive at the Closing sole possession and sole title, free and clear of any and all liens, claims, and encumbrances (other than those created by the Tower Lease), of the tower that is the subject of the Tower Lease, along with all associated buildings, equipment, and facilities (collectively, the "Tower") without payment of any consideration than otherwise required by this Agreement; (ii) UPN Properties, Inc. shall have agreed to assign, effective as of the Closing, the Tower Lease to Purchaser or its designee and shall have obtained all necessary consents to such assignment, including without limitation any required consent of the lessors under the Tower Lease; (iii) as of the Closing, UPN Properties, Inc. shall have paid in full all rent to date and any other amounts then due and payable with respect to the Tower Lease such that Purchaser's or its designee's obligations as the party assuming the Tower Lease shall be prospective in all respects; (iv) the consummation of the sale of the Tower by Florence to Purchaser or its designee and the assignment of the Tower Lease by UPN Properties, Inc. to Purchaser or its designee shall occur simultaneously with the Closing; and (v) Purchaser shall be entitled to receive at the Closing a quitclaim bill of sale from UPN Properties, Inc. of any interest it may have in the Tower.

(i) FCC Approval. The approval of the FCC to the assignment of the Licenses to Purchaser or its designee shall have become final (i.e., no longer subject to administrative or judicial review).

(j). UPN Affiliation Agreement. Purchaser and UPN shall have entered into the long-term station affiliation agreement with respect to the Station attached hereto as Schedule 4.1(j), such affiliation agreement to become effective as of the Closing Date (the "New Affiliation Agreement").

(k) Financing. Purchaser shall have obtained financing for the full amount of the Purchase Price upon terms and conditions acceptable to Purchaser in its sole discretion, which financing shall be available to Purchaser at the Closing. This condition shall be deemed satisfied or waived by Purchaser solely upon written notice delivered by Purchaser to Sellers that this condition has been satisfied or waived by Purchaser.

4.2 Conditions to Obligations of Sellers. The obligations of Sellers to enter into the Closing are subject to the satisfaction, at or prior to the Closing, of the following conditions, unless waived by Sellers:

(a) Sale Order. The Bankruptcy Court shall have entered in the Bankruptcy Case the Sale Order (together with any related findings of fact or conclusions of law) approving this Agreement and the transactions contemplated hereby, and reasonably satisfactory in form and substance to Seller. The Sale Order shall not have been vacated, stayed, amended, reversed or modified.

(b) Pending Actions. No action, suit proceeding (including any proceeding over which the Bankruptcy Court has jurisdiction) brought by any Governmental Entity shall be pending to enjoin, restrain or prohibit the transactions contemplated hereby, or that would be reasonably likely to prevent or make illegal the transactions contemplated hereby.

(c) Covenants, Representations and Warranties. The representations and warranties of Purchaser contained herein shall be true and correct in all material respects as of the date hereof and again at and as of the Closing Date, except for any changes resulting from activities or transactions which may have taken place after the date hereof and which are permitted or contemplated by this Agreement or which have been entered into in the ordinary course of business and except to the extent that such representations and warranties are expressly made as of another specified date and, as to such representation, the same shall be true as of such specified date. Purchaser shall have performed and complied in all material respects with all covenants and agreements required to be performed or complied with by it on or prior to the Closing Date.

(d) Deliveries by Purchaser. Purchaser shall be ready, willing and able to deliver to Sellers the items specified in Section 4.3(b).

(e) Legal Bar. No injunction or orders issued by a court of competent jurisdiction that prohibits the consummation of the transactions contemplated herein shall be in effect.

(f) FCC Approval. The approval of the FCC to the assignment of the Licenses to Purchaser or its designee shall have become final (i.e., no longer subject to administrative or judicial review).

4.3 Deliveries at Closing.

(a) Deliveries by Sellers. At the Closing, Sellers shall deliver or cause the delivery of the following to Purchaser:

(i) Conveyance Documents. Bills of sale, assignment and assumption agreements, deeds, and other documents reasonably requested by Purchaser in order to effectively convey to Purchaser the Assets in accordance with the terms hereof, in form and substance to the reasonable satisfaction of Purchaser, executed by Sellers.

(ii) Keys, Computer Codes, Etc. To the extent permitted under any licenses or agreements with third parties or provided in the Sale Order, all keys and security access

information or procedures to the Sellers' offices, facilities and other premises and properties being sold or leased to Purchaser hereunder, all computer access codes and passwords for computer programs or systems being sold or leased to Purchaser hereunder and any other property in the possession of Sellers and being sold or leased to Purchaser hereunder.

(b) Deliveries by Purchaser. At the Closing, Purchaser shall deliver the following to Sellers or to UPN, as set forth below:

(i) Purchase Price. Except as otherwise required by order of the Bankruptcy Court (including but not limited to the Extended Final Cash Collateral Order, as may be extended or modified from time to time), the Cash Consideration portion of the Purchase Price that is due at Closing, less the items identified in the immediately succeeding clauses (i) through (vi), shall be payable by wire transfer to UPN of immediately available funds to one or more bank accounts as specified by UPN in writing not later than two business days prior to the Closing Date and as otherwise agreed in Section 1.6 hereof: (i) the Deposit (which shall be released from escrow and delivered to Florence); (ii) any applicable credits and pro-rated amounts; (iii) cure amounts agreed to by UPN and established in the Sale Order; (iv) unpaid property taxes owed by Florence which have been assessed against the Assets, if any; (v) the amount, if any, by which carve-outs that have been agreed to in writing by UPN for U.S. Trustee fees, professional fees, payments due at the time of Closing under Florence's Key Employee Retention Program, other administrative expenses, and certain priority tax claims (collectively, the "Agreed Carve-Outs") exceed the sum of (X) the Deposit and (Y) Florence's cash on hand on the Closing Date plus the amount of Florence's accounts receivable and payment intangibles (as defined in section 9-102(61) of the Uniform Commercial Code) outstanding on the Closing Date that are reasonably projected to be collectible in the future (the "Projected Collections"); and (vi) the Post-Closing Escrow Fund. The cure amounts referred to above shall be paid to the parties in interest entitled thereto, and the pre-petition property taxes referred to above, if any, shall be paid to the appropriate taxing authorities. The balance of any such Cash Consideration shall be payable by wire transfer of immediately available funds to Florence's debtor-in-possession operating account.

(ii) Conveyance Documents. Assignment and assumption agreements and other documents reasonably requested by Sellers and third parties in order to effectuate Purchaser's assumption of the Assumed Liabilities, in form and substance to the reasonable satisfaction of Sellers, executed by Purchaser.

ARTICLE V

LOCAL MARKETING AGREEMENT

Purchaser and Sellers agree, upon entry of the Sale Order, to enter into a Local Marketing Agreement (the "LMA") attached hereto as Exhibit A with respect to the Station.

ARTICLE VI

POST-CLOSING ESCROW FUND

Notwithstanding any provision in this Agreement to the contrary, a portion of the Cash Consideration in the sum of Two Hundred Fifty Thousand Dollars (\$250,000.00)(the "Post-Closing Escrow Fund") shall be deposited by Purchaser directly with a third party escrow agent mutually acceptable to all parties hereto and selected prior to Closing (the "Post-Closing Escrow Agent"). The Post-Closing Escrow Fund shall be governed by this Agreement and by the Post-Closing Escrow Agreement attached hereto as Exhibit D. In the event that a Seller breaches any representation, warranty, covenant, or obligation of a Seller contained in this Agreement, or any third party asserts a claim against Purchaser which claim is either the result of a breach of this Agreement by a Seller or is based upon a liability or obligation that is the responsibility of a Seller and not of Purchaser, then, in any such event Purchaser shall have the right to receive from the Post-Closing Escrow Fund any and all damages, costs, injuries, losses, and expenses (including without limitation attorneys' fees and legal costs) arising from any one or more of the foregoing (a "Claim"), subject to and in accordance with the following:

(a) Purchaser shall notify Sellers, UPN and Escrow Agent of each Claim in writing describing in reasonable detail the nature of the Claim, the date that the Claim arose, and the amount of the Claim.

(b) Sellers and/or UPN shall have the right to object to a Claim in the manner and within the time period provided in the Post-Closing Escrow Agreement.

(c) The balance, if any, of the Post-Closing Escrow Fund, plus and any all interest accrued thereon and income earned with respect thereto, less any amounts payable to the Post-Closing Escrow Agent by Sellers, shall be disbursed to UPN on the date that is sixty (60) days after the Closing Date; provided, however, that if as of such date there are any Claims that Purchaser has asserted but which have not as of such date been resolved in accordance with the Post-Closing Escrow Agreement, the amount of such Claim(s) shall remain in the Post-Closing Escrow Fund and shall remain subject to the terms of this Agreement and the Post-Closing Escrow Agreement pending the resolution thereof, and provided further, however, that, from the funds disbursed to UPN from the Post-Closing Escrow Fund, if needed to pay administrative claims in the Chapter 11 Case for which UPN has agreed to a carve-out, UPN shall transfer to counsel for Sellers identified in Section 7.5 the amount, if any, by which the Projected Collections (as defined in Section 4.3(b)(i)) exceed the actual collections received by Florence on its accounts receivable and payment intangibles during the period from the Closing Date to the date of the disbursement to UPN of the balance of the Post-Closing Escrow Fund.

(d) The amount of the Post-Closing Escrow Fund shall not be construed as a limit upon the amount of damages that Purchaser may be entitled to recover in the event of a breach or default of this Agreement by a Seller.

(e) Purchaser, in its sole discretion, shall have the right to seek other or additional rights and remedies in the event of breach or default of this Agreement by a Seller.

ARTICLE VII

MISCELLANEOUS

7.1 Entire Agreement. This Agreement and the Schedules and Exhibits, together with the confidentiality agreement previously executed and delivered by Purchaser, contain the entire agreement between the parties with respect to the transactions contemplated by this Agreement and supersede all prior agreements or understandings among the parties.

7.2 Termination. This Agreement may be terminated and the transactions contemplated hereby may be abandoned at any time prior to the Closing:

(a) Mutual Consent. Upon the mutual written consent of Sellers, UPN and Purchaser.

(b) By Purchaser.

(i) By Purchaser, in accordance with Section 1.7, Section 1.9, Section 3.6(a) or Section 3.6(b);

(ii) By Purchaser, at any time after September 15, 2004, if any of the conditions provided for in Section 4.1 shall not have been waived by Purchaser or fully satisfied prior to such date;

(iii) By Purchaser, in the event of a violation or breach by a Seller of its agreements contained in this Agreement that has rendered the satisfaction of any condition to the obligations of Purchaser impossible, and Purchaser is not in material violation or breach of its agreements, representations or warranties contained in this Agreement;

(iv) By Purchaser, if the Sale Order has not been entered on or before April 30, 2004; or

(v) By Purchaser, if the Closing does not occur on or before September 15, 2004.

(c) By Sellers.

(i) By Sellers, at any time after September 15, 2004, if any of the conditions provided for in Section 4.2 shall not have been waived in writing by Sellers or fully satisfied prior to such date;

(ii) By Sellers, in the event of a material violation or breach by Purchaser of its agreements, representations or warranties contained in this Agreement that has rendered the satisfaction of any condition to the obligations of Sellers impossible, and Sellers are not in material violation or breach of their agreements contained in this Agreement; provided, that such violation or breach shall not have been waived or cured

within fifteen (15) days following receipt by Purchaser of written notice of such breach from Sellers.

(d) Effect of Termination. In the event of termination of this Agreement pursuant to this Section 7.2, written notice thereof shall forthwith be given to the other party and UPN, and all further obligations of the parties hereunder shall immediately and without further action terminate, except that the obligations set forth in Sections 1.5 and the last sentence of this Section 7.2(d) shall survive in full force and effect; provided, however, that if this Agreement is terminated by a party because of the other party's failure to comply with its obligations under this Agreement, the terminating party's right to pursue all legal remedies for breach of contract or otherwise, including, without limitation, damages relating thereto, shall also survive such termination unimpaired. If this Agreement is terminated as provided herein each party will redeliver all documents, work papers and other material of any other party relating to the transactions contemplated hereby, whether obtained before or after the execution hereof to the party furnishing the same, except as provided in Section 3.6(c) of this Agreement and shall abide by the terms of any confidentiality agreement relating thereto.

7.3 Intentionally omitted.

7.4 Descriptive Headings; Certain Interpretations.

(a) Descriptive headings are for convenience only and shall not control or affect the meaning or construction of any provision of this Agreement.

(b) Except as otherwise expressly provided in this Agreement, the following rules of interpretation apply to this Agreement: (i) the singular includes the plural and the plural includes the singular; (ii) "or" and "either" are not exclusive and "include" and "including" are not limiting; (iii) a reference to any agreement or other contract includes schedules and exhibits thereto and permitted supplements and amendments thereof, (iv) a reference to a law includes any amendment or modification to such law and any rules or regulations issued thereunder; (v) a reference to a Person includes a natural person or entity and its permitted successors and assigns; and (vi) a reference in this Agreement to an Article, Section, Exhibit or Schedule is to the Article, Section, Exhibit or Schedule of this Agreement.

7.5 Notices. All notices, requests and other communications to any party hereunder shall be in writing and sufficient if delivered personally or sent by facsimile transmission (with confirmation of receipt) or by overnight delivery service maintaining records of receipt, addressed as follows:

If to Purchaser, to:

Huntsville TV., L.L.C.
220 Salters Creek Road
Hampton, VA 23661
Facsimile: (757) 726-0196
Attention: David Hanna, President

with a copy, which shall not constitute notice, to:

Daniel Sroka, Esq.
3625 N. Elm Street
Suite 100 (Zip 27455)
P.O. Box 1658
Greensboro, North Carolina 27402
Facsimile: (336) 282-5796

If to Sellers, to:

Florence Television, LLC / Valley Television, LLC
Attn: Gary Kneller
3639 Summerford Drive
Marietta, Georgia 30062
Facsimile (c/o Brian L. Schleicher): (770) 667-1690

with a copy, which shall not constitute notice, to:

Brian L. Schleicher, Esquire
Robinson, Jampol, Aussenberg & Schleicher, LLP
11625 Rainwater Drive, Suite 350
Alpharetta, Georgia 30004
Facsimile: (770) 667-1690

If to UPN, to:

M.P. Messinger
CBS
1515 Broadway, 49th Floor
New York, New York 10036
Facsimile: (212) 846-1905

with a copy, which shall not constitute notice, to:

Lawrence R. Barnett
Gipson Hoffman & Pancione
1901 Avenue of the Stars, Suite 1100
Los Angeles, California 90067
Facsimile: (310) 556-8945

or to such other address or telecopy number as the party to whom notice is to be given may have furnished to the other parties in writing in accordance herewith. Each such notice, request or communication shall be effective when received at the address specified in this Section 7.5.

7.6 Counterparts, Facsimile Transmission. This Agreement may be executed in several counterparts, each of which shall be deemed an original but all of which counterparts collectively shall constitute one instrument. Signatures sent to the other parties by facsimile transmission shall be binding as evidence of acceptance of the terms hereof by such signatory party.

7.7 Survival. All the provisions of this Agreement that contemplate performance after the Closing shall survive the Closing.

7.8 Benefits of Agreement. All of the terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Except as otherwise set forth herein with respect to UPN, this Agreement is for the sole benefit of the parties hereto and not for the benefit of any third party.

7.9 Amendments and Waivers. No modification, amendment or waiver, of any provision of, or consent required by, this Agreement, nor any consent to any departure herefrom, shall be effective unless it is in writing and signed by the parties hereto and, in the case of Florence, approved by the Bankruptcy Court; provided, however, that a modification or amendment after entry of the Sale Order which does not decrease materially the purchase price shall not require approval of the Bankruptcy Court if the Agreement, as so modified or amended, is still substantially in the form of the Agreement approved by the Sale Order. Such modification, amendment, waiver or consent shall be effective only in the specific instance and for the purpose for which given.

7.10 Assignment. This Agreement and the rights and obligations hereunder shall not be assignable or transferable by any party hereto without the prior written consent of the other parties hereto, provided that Purchaser may assign all or part of its rights and obligations hereunder to any Person directly or indirectly controlled by Purchaser or Purchaser's controlling shareholders, and provided further that Purchaser's obligations may be assumed by any subsequent purchaser and/or purchasers of the Assets who is/are no less credit worthy than Purchaser and such purchaser(s) agree(s) to be bound by the terms thereof.

7.11 Governing Law. The rights and obligations of the parties hereto shall be governed by and construed in accordance with the laws of the State of Alabama, without regard to its conflict of laws principles.

7.12 Remedies Cumulative. Except as otherwise specifically provided herein, the remedies of the parties under this Agreement are cumulative and shall not exclude any other remedies to which any party may be lawfully entitled.

7.13 Bankruptcy Court Jurisdiction. The Bankruptcy Court shall have jurisdiction with respect to any issues arising between the parties and relating to the terms or provisions of this Agreement or the consummation of the transactions contemplated hereunder.

7.14 Equitable Relief. Sellers agree that Station, the Licenses, and the Assets constitute a special and unique asset and that the failure of either Seller to fulfill its obligations hereunder shall result in a loss to Purchaser which cannot be adequately or reasonably compensated in damages in an action at law, and that a Seller's failure to perform its obligations hereunder, or to otherwise comply with any provision of this Agreement, will cause Purchaser irreparable injury or damage. In addition to any other right or remedy, Purchaser shall be entitled to seek injunctive or other equitable relief from the Bankruptcy Court of the Northern District of Georgia to prevent a Seller's failing to perform hereunder. Resort by Purchaser to injunctive or other relief, however, shall not be construed as a waiver of any rights Purchaser may have against either Seller for damages or otherwise.

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be duly executed and delivered as of the day and year first above written.

WITNESS:

SELLERS:

Florence Television, LLC

By: Gary D. Kneilon
Name: GARY D. KNEILON
Title: GENERAL MANAGER

Valley Television, LLC

By: Gary D. Kneilon
Name: GARY D. KNEILON
Title: GENERAL MANAGER

PURCHASER:

Huntsville TV., L.L.C.

By: _____
Name: _____
Title: _____

Date February 21, 2004

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be duly executed and delivered as of the day and year first above written.

WITNESS:

SELLERS:

Florence Television, LLC

By: _____
Name: _____
Title: _____

Valley Television, LLC

By: _____
Name: _____
Title: _____

PURCHASER:

Huntsville TV., L.L.C.

Pamela B. Lawson
PAMELA B. LAWSON
Secretary & Manager

By: *James L. Lockwood Jr*
Name: JAMES L. LOCKWOOD JR
Title: C.E.O + MANAGER

Date _____

SCHEDULES

Schedule 1.1(a)	Accounts
Schedule 1.1(b)	Assets
Schedule 1.1(d)	Contracts
Schedule 1.1(h)	Inventory
Schedule 1.1(i)	Leases
Schedule 1.1(j)	Licenses
Schedule 1.1(l)	Trade Payables
Schedule 1.4	Assumed Contracts
Schedule 1.8	Purchase Price Allocation
Schedule 2.1(a)	Seller's Organization
Schedule 2.1(c)	Seller's Conflicts Consents
Schedule 2.1(d)	Seller's Financial Affairs/Statements
Schedule 2.1(e)	Changes to Seller's Assets
Schedule 2.1(f)	Assets, Personal Property, Related Matters
Schedule 2.1(g)	Owned/Leased Real Property
Schedule 2.1(h)	Intellectual Property
Schedule 2.1(j)	Environmental Compliance
Schedule 2.1(k)	Government Regulations
Schedule 2.1(l)	Repayments
Schedule 2.1(m)	Brokers
Schedule 4.1(j)	New Affiliation Agreement

EXHIBITS

Exhibit A	LMA
Exhibit B	Form of Sale Order
Exhibit C	Form of Pre-Closing Escrow Agreement
Exhibit D	Form of Post-Closing Escrow Agreement