

**ASSET PURCHASE AGREEMENT**

THIS ASSET PURCHASE AGREEMENT is dated as of the 22<sup>nd</sup> day of December, 2004, by and between Paxson Communications License Company, LLC, a Delaware limited liability company ("Seller") and West Kentucky Sand and Gravel, Inc., dba Giant City Media, Inc., a Kentucky corporation ("Buyer").

**RECITALS**

A. Seller owns and operates Low Power Television Station WIPX-LP, FCC Facility ID 65121, Indianapolis, Indiana (the "Station") pursuant to authorizations issued by the Federal Communications Commission (the "FCC").

B. Sellers desire to sell, and Buyer desires to buy, certain assets that are used or useful in the business or operations of the Station for the price and on the terms and conditions set forth in this Agreement.

**AGREEMENTS**

In consideration of the above recitals and of the mutual agreements and covenants contained in this Agreement, Buyer and Sellers, intending to be bound legally, agree as follows:

**SECTION 1. DEFINITIONS**

The following terms, as used in this Agreement, shall have the meanings set forth in this Section:

"Assets" means the assets to be sold, transferred, or otherwise conveyed to Buyer under this Agreement, as specified in Section 2.1.

"Assumed Contracts" means all Contracts listed in Schedule 3.7 and all Contracts entered into by any Seller between the date of this Agreement and the Closing Date that Buyer agrees in writing to assume.

"Closing" means the consummation of the purchase and sale of the Assets pursuant to this Agreement in accordance with the provisions of Section 8.

"Closing Date" means the date on which the Closing occurs, as determined pursuant to Section 8.



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“Consents” means the consents, permits, or approvals of government authorities and other third parties necessary to transfer the Assets to Buyer or otherwise to consummate the transactions contemplated by this Agreement.

“Contracts” means the leases and other agreements (including any amendments and other modifications thereto) to which Seller is a party and which relate to or affect the business or operations of the Station, and (i) which are in effect on the date of this Agreement or (ii) which are entered into by any Seller between the date of this Agreement and the Closing Date.

“Excluded Assets” has the meaning set forth in Section 2.2.

“FCC” means the Federal Communications Commission.

“FCC Consent” means one or more actions of the FCC granting its consents to the assignments of the FCC Licenses to Buyer as contemplated by this Agreement.

“FCC Licenses” means all Licenses issued by the FCC to Sellers in connection with the business or operations of the Station.

“Final Order” means an action by the FCC that has not been reversed, stayed, enjoined, set aside, annulled, or suspended, and with respect to which no requests are pending for administrative or judicial review, reconsideration, appeal, or stay, and the time for filing any such requests and the time for the FCC to set aside the action on its own motion have expired.

“GAAP” means generally accepted accounting principles, as in effect from time to time, applied on a consistent basis.

“Intangibles” means all copyrights, trademarks, trade names, service marks, service names, licenses, patents, permits, jingles, proprietary information, technical information and data, machinery and equipment warranties, and other similar intangible property rights and interests (and any goodwill associated with any of the foregoing) applied for, issued to, or owned by any Seller or under which any Seller is licensed or franchised and which are used or useful in the business and operations of the Station, together with any additions thereto between the date of this Agreement and the Closing Date, but excluding any of the foregoing that are included in the Excluded Assets.

“Licenses” means all licenses, permits, and other authorizations issued to Sellers by the FCC, the Federal Aviation Administration, or any other federal, state, or local governmental authorities in connection with the conduct of the business or operations of the Station, together with any additions thereto between the date of this Agreement and the Closing Date.

“Purchase Price” means the purchase price specified in Section 2.3.

“Real Property” means Sellers’ interests in real property that are set forth on Schedule 3.5 hereto.

“Tangible Personal Property” means the equipment and other tangible personal property set forth on Schedule 3.6 hereto.

## SECTION 2. PURCHASE AND SALE OF ASSETS

2.1 Agreement to Sell and Buy. Subject to the terms and conditions set forth in this Agreement, Seller hereby agrees to sell, transfer, and deliver to Buyer on the Closing Date, and Buyer agrees to purchase on the Closing Date, all of Seller’s rights, title and interest in and to the following tangible and intangible assets used or useful in connection with the conduct of the business or operations of the Station, but excluding the assets described in Section 2.2, free and clear of any claims, liabilities, security interests, mortgages, liens, pledges, conditions, charges, or encumbrances of any nature whatsoever, including the following:

- (1) The Tangible Personal Property;
- (2) The Real Property;
- (3) The Licenses;
- (4) The Assumed Contracts;
- (5) The Intangibles and the goodwill of the Station, if any;
- (6) All of Seller’s proprietary information, technical information and data, machinery and equipment warranties, maps, computer discs and tapes, plans, diagrams, blueprints, and schematics, relating to the business and operation of the Station, including, but not limited to, applications and reports previously filed with the FCC and any logs or other records the FCC requires the Station to keep; and
- (7) All of Seller’s books and records relating to the business or operations of the Station, provided, however, that Seller shall provide Buyer with copies of any such books or records reasonably required by Buyer to operate the Station and file governmental reports and returns after the Closing Date..

2.2 Excluded Assets. The Assets shall exclude the following assets (the "Excluded Assets"):

(1) Seller's cash on hand as of the Closing and all other cash in any of Seller's bank or savings accounts; any insurance policies, letters of credit, or other similar items and cash surrender value in regard thereto; and any stocks, bonds, certificates of deposit and similar investments;

(2) All books and records that Seller is required by law to retain, that pertain to Seller's organization or other internal matters and all tax records;

(3) Claims of Seller with respect to matters occurring prior to the Closing Date;

(4) Rights to the name "Paxson" or any logo, variation or derivation thereof and;

(5) All other property listed on Schedule 2.2 hereto.

2.3 Purchase Price.

(1) Purchase Price. The Purchase Price for the Assets shall be Six Hundred Thirty-Five Thousand Dollars (\$635,000), adjusted as provided in Section 2.3(2) below.

(2) Pro-rations. The Purchase Price payable pursuant to Section 2.4 below shall be increased or decreased as required to effectuate the pro-ration of the revenues and expenses of the Station. All revenues and all expenses arising from the operation of the Station shall be prorated between Buyer and Sellers in accordance with GAAP and the principle that Sellers shall be entitled to all revenues and shall be responsible for all expenses, costs, and liabilities allocable to the period prior to the Closing Date and Buyer shall be entitled to all revenues and shall be responsible for all expenses, costs, and obligations allocable to the period on and after the Closing Date. Notwithstanding the preceding sentence, there shall be no adjustment for, and Sellers shall remain solely liable with respect to, any Contracts not included in the Assumed Contracts and any other obligation or liability not being assumed by Buyer in accordance with Section 2.5.

(3) Manner of Determining Adjustments.

(1) Any adjustments will, insofar as feasible, be determined and paid on the Closing Date, with final settlement and payment by the appropriate party occurring as set forth below. Seller shall prepare and deliver to Buyer not later than five (5) days before the Closing Date a preliminary settlement statement which shall set forth Seller's good faith estimate of the pro-rations under Section 2.3(2).

(2) Not later than ninety (90) after the Closing Date, Buyer shall deliver to Seller a statement setting forth Buyer's determination of any changes to the pro-rations made at the Closing.

(3) Buyer and Seller shall use good faith efforts to resolve any dispute involving the determination of the pro-rations in connection with the Closing. If Buyer and Seller are unable to reach agreement, they will select a mutually agreeable certified public accountant in the State of Florida to resolve the dispute, and each party shall pay half of the accountant's fees and expenses.

(4) At the Closing, Buyer shall propose an allocation of the Purchase price among the various assets to be purchased and sold. If Seller disputes Buyer's allocation, the parties shall resolve their differences as provided in Section 2.3(3)(3) hereof. Buyer and Seller agree to file tax returns consistently with the allocation determined pursuant to this sub-section.

2.4 Payment of Purchase Price. The Purchase Price, as adjusted under Section 2.3(b), shall be paid by Buyer to Seller at Closing as follows; Buyer shall pay to Seller at the Closing the Purchase Price by federal wire transfer of same-day funds pursuant to wire instructions delivered by Sellers to Buyer at least two (2) days prior to the Closing Date. Such wire instructions shall specify delivery of the funds to an account in a domestic bank that is part of the Federal Reserve system.

2.5 Assumption of Liabilities and Obligations. As of the Closing Date, Buyer shall assume and undertake to pay, discharge, and perform all obligations and liabilities (a) under the Licenses and the Assumed Contracts insofar as they relate to the period on and after the Closing Date, (b) with respect to which an adjustment to the Purchase Price is made in favor of Buyer pursuant to Section 2.3(b), and (c) arising out of the business or operations of the Station on and after the Closing Date. Buyer shall not assume any other obligations or liabilities of Seller, including (i) any obligations or liabilities under any Contract not included in the Assumed Contracts, (ii) any obligations or liabilities under the Licenses or Assumed Contracts relating to the period prior to the Closing Date, (iii) any claims or pending litigation or proceedings relating to the operation of the Station prior to the Closing, and (iv) any obligations or liabilities arising under capitalized leases or other financing agreements not assumed by Buyer.

### SECTION 3. REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer as set forth below.

3.1 Organization, Standing, and Authority. Seller is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of Delaware. Seller has all requisite corporate power and authority (i) to own, lease, and use those Assets that are owned, leased and used by it, as now owned, leased, and used, (ii) to conduct the business and operations of the Station as now conducted, and (iii) to execute and deliver this Agreement and the documents

contemplated hereby, and to perform and comply with all of the terms, covenants, and conditions to be performed and complied with by Seller hereunder.

3.2 Authorization and Binding Obligation. The execution, delivery, and performance by Seller of this Agreement and the documents contemplated hereby have been duly authorized by all necessary corporate actions on the part of Seller. This Agreement has been duly executed and delivered by Seller and constitutes the legal, valid, and binding obligation of Seller, enforceable against it in accordance with its terms, except as the enforceability of this Agreement may be affected by bankruptcy, insolvency, or similar laws affecting creditors' rights generally, and by judicial discretion in the enforcement of equitable remedies.

3.3 Absence of Conflicting Agreements. Subject to obtaining the FCC consent and the Consents listed on Schedule 3.3, the execution, delivery, and performance by Seller of this Agreement and the documents contemplated hereby (with or without the giving of notice, the lapse of time, or both): (i) do not require the consent of any third party, (ii) will not conflict with any provision of the organizational documents of Seller; (iii) will not conflict with, result in a breach of, or constitute a default under, any law, judgment, order, ordinance, injunction, decree, rule, regulation, or ruling of any court or governmental instrumentality; and (iv) will not conflict with, constitute grounds for termination of, result in a breach of, or constitute a default under, any material agreement, instrument, license, or permit to which Seller or any parent entity is a party or by which Seller or any parent entity may be bound, such that Seller could not transfer and deliver the Assets as contemplated by this Agreement.

3.4 Governmental Licenses. Schedule 3.4 includes a true and complete list of the Licenses. Seller has delivered to Buyer true and complete copies of the Licenses (including any amendments and other modifications thereto). All FCC Licenses have been validly issued, and Seller is the authorized legal holder thereof. The Licenses listed on Schedule 3.4 comprise all of the licenses, permits, and other authorizations required from any governmental or regulatory authority for the lawful conduct of the business and operations of the Station in the manner and to the extent they are now conducted. The FCC Licenses are in full force and effect, and the conduct of the business and operations of the Station is in compliance therewith. Seller makes no representations or warranties as to the length of time following Closing that the Licenses will continue to be valid or the operation of the Station, as presently operated, possible, provided, however, that Seller knows of no reason why the Licenses will not remain valid until the expiration date for television licenses in the State of Indiana provided in 47 C.F.R. Sec. 73.1020 or any reason why the lessor of the Station's transmitter site will not permit the Station to continue to operate from that site under Buyer's ownership, subject to the terms and conditions of the existing tower lease agreement.

3.5 Title to and Condition of Real Property. Schedule 3.5 contains an accurate description of the Real Property. With respect to each leasehold interest included in the Real Property being conveyed under this Agreement, so long as Seller fulfill its obligations under the lease therefor, Seller shall have enforceable rights to non-disturbance and quiet enjoyment.

3.6 Title to and Condition of Tangible Personal Property. Except as described in Schedule 3.6, Seller owns and has good title to each item of Tangible Personal Property, and at Closing, none of the Tangible Personal Property owned by Seller will be subject to any security interest, mortgage, pledge, conditional sales agreement, or other lien or encumbrance. The transmitter, transmission line, antenna, and associated equipment; and the satellite receiving system are now, and at the Closing will be, in good operating condition and operating in compliance in all material respects with the FCC's Rules and Regulations, including, but not limited to, the frequency stability required for offset operation on Channel 51. Seller shall not be responsible for providing equipment for operation on Channel 34.

3.7 Assumed Contracts. Seller has delivered to Buyer true and complete copies of all Contracts listed on Schedule 3.7. All of the Assumed Contracts are in full force and effect. The lease for the Station's transmitter site has a provision permitting or providing for assignment to a purchaser of the Station (with Lessor's approval). To the best of Seller's knowledge, neither the Seller nor any other party to any of the Contracts is in material breach of any term or condition thereof.

3.8 Consents. Except for the Consents described in Schedule 3.3, no consent, approval, permit, or authorization of, or declaration to or filing with, any governmental or regulatory authority, or any other third party is required (i) to consummate this Agreement and the transactions contemplated hereby and (ii) to permit Seller to assign or transfer the Assets to Buyer.

3.9 Intangibles. Schedule 3.9 is a true and complete list of all material Intangibles, all of which are valid and in good standing and uncontested. Seller have delivered to Buyer copies of all documents establishing or evidencing all material Intangibles.

3.10 Taxes. There are no proceedings pending pursuant to which Seller is or could be made liable for any taxes, penalties, interest, or other charges, the liability for which could extend to Buyer as transferee of the Assets, and, to the best knowledge of Seller, no event has occurred that could impose on Buyer any transferee liability for any taxes, penalties, or interest due or to become due from Seller.

3.11 Claims and Legal Actions. Except for any FCC rulemaking proceedings generally affecting the broadcasting industry and the low power television industry in particular or as listed on Schedule 3.11 attached hereto, there is no claim, legal action, counterclaim, suit, arbitration, governmental investigation or other legal, administrative, or tax proceeding, nor any order, decree or judgment pending or to the knowledge of Seller threatened, against Seller with respect to its ownership or operation of the Station or otherwise relating to the Assets.

3.12 Broker. Neither Seller nor any person acting on Seller's behalf has incurred any liability for any finders' or brokers' fees or commissions in connection with the transactions contemplated by this Agreement.

SECTION 4. REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller as follows:

4.1 Organization, Standing, and Authority. Buyer is a corporation duly organized, validly existing, and in good standing under the laws of the State of Kentucky, and by the Closing Date will have authority to do business in the State of Indiana. Buyer has all requisite power and authority to execute and deliver this Agreement and the documents contemplated hereby, and to perform and comply with all of the terms, covenants, and conditions to be performed and complied with by Buyer hereunder.

4.2 Authorization and Binding Obligation. The execution, delivery, and performance by Buyer of this Agreement and the documents contemplated hereby have been duly authorized by all necessary actions on the part of Buyer. This Agreement has been duly executed and delivered by Buyer and constitutes the legal, valid, and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, except as the enforceability of this Agreement may be affected by bankruptcy, insolvency, or similar laws affecting creditors' rights generally and by judicial discretion in the enforcement of equitable remedies.

4.3 Absence of Conflicting Agreements. Subject to obtaining the FCC Consent, and the Consents listed on Schedule 4.3, the execution, delivery, and performance by Buyer of this Agreement and the documents contemplated hereby (with or without the giving of notice, the lapse of time, or both): (i) do not require the consent of any third party except for such consents; (ii) will not conflict with the organizational documents of Buyer; (iii) will not conflict with, result in a breach of, or constitute a default under, any law, judgment, order, injunction, decree, rule, regulation, or ruling of any court or governmental instrumentality; or (iv) will not conflict with, constitute grounds for termination of, result in a breach of, or constitute a default under, any material agreement, instrument, license, or permit to which Buyer is a party or by which Buyer may be bound, such that Buyer could not acquire or operate the Assets.

4.4 Broker. Neither Buyer nor any person acting on Buyer's behalf has incurred any liability for any finders' or brokers' fees or commissions in connection with the transactions contemplated by this Agreement.

4.5 Buyer Qualifications. Buyer is, and as of the Closing will be, legally, financially and otherwise qualified to perform its obligations hereunder, and to be the licensee of and to acquire, own and operate the Station under the Communications Act of 1934, as amended, and the rules, regulations and policies of the FCC. Buyer knows of no fact that would disqualify Buyer as an assignee of the FCC Licenses or as the owner and operator of the Station. To Buyer's knowledge, no waiver of any FCC rule or policy is required for the grant of the FCC Consent.

4.6 Financing. Buyer will have available sufficient funds to enable it to consummate the transactions contemplated hereby.



SECTION 5. OPERATIONS OF THE STATION PRIOR TO CLOSING

5.1 Generally. Seller agrees that, between the date of this Agreement and the Closing Date, Seller shall operate the Station in all material respects in the ordinary course of business in accordance with their best past practices and with no reduction in hours of operation (except where such conduct would conflict with the following covenants or with Seller's other obligations under this Agreement), and in accordance with the other covenants in this Section 5.

5.2 Contracts. Seller will not, without the prior written consent of Buyer which consent shall not be unreasonably withheld with respect to amendments or contracts entered into in the ordinary course of business, amend any Assumed Contract or enter into any contract or commitment relating to the Station that will be binding on Buyer after Closing.

5.3 Disposition of Assets. Seller shall not sell, assign, lease, or otherwise transfer or dispose of any of the Assets, except where no longer used or useful in the business or operations of the Station or in connection with the acquisition of replacement property of equivalent kind and value.

5.4 Licenses. Subject to Section 3.11, Seller shall not cause or permit, by any act or failure to act, the License to expire or to be revoked, suspended, or modified in any materially adverse respect, or take any action that could reasonably be expected to cause the FCC or any other governmental authority to institute proceedings for the suspension, revocation, or materially adverse modification of the License..

5.5 Access to Information. Seller shall give Buyer and its authorized representatives access during normal business hours and with reasonable prior notice to the Assets and to all other books, records, Contracts, and documents relating to the Station for the purpose of audit and inspection, so long as such audit and inspection do not unreasonably interfere with the business and operations of the Station.

5.6 Compliance with Laws. Seller shall comply in all material respects with all laws, rules, and regulations applicable or relating to the ownership or operation by Seller of the Station.

5.7 Cure. For all purposes under this Agreement, the existence or occurrence of any events or circumstances that constitute or cause a breach of a representation or warranty of Seller or Buyer under this Agreement (including, without limitation, in the case of Seller, under the information disclosed in the Schedules hereto) on the date such representation or warranty is made shall be deemed not to constitute a breach of such representation or warranty if such event or circumstance is cured in all material respects on or before 30 days after the receipt by such party of written notice thereof from the other party but not later than the Closing Date.



SECTION 6. SPECIAL COVENANTS AND AGREEMENTS

6.1 FCC Consent.

(1) The assignment of the FCC Licenses in connection with the purchase and sale of the Assets pursuant to this Agreement shall be subject to the prior consent and approval of the FCC.

(2) Seller and Buyer shall promptly prepare an appropriate application or the FCC Consent and shall file the application with the FCC within ten (10) business days of the execution of this Agreement. The parties shall prosecute the application with all reasonable diligence and otherwise use their commercially reasonable efforts to obtain a grant of the applications as expeditiously as practicable, provided, however, that neither party shall be required to participate in any trial-type hearing or any judicial appeal of an FCC order dismissing or denying the application.

6.2 Control of the Station. Prior to Closing, Buyer shall not, directly or indirectly, control, supervise, direct, or attempt to control, supervise, or direct, the operations of the Station. Subsequent to the Closing, Seller shall not, directly or indirectly, control, supervise, direct, or attempt to control, supervise, or direct, the operations of the Station. Pursuant to 47 C.F.R. Sec. 73.1150, Seller and Buyer certify that Seller shall have no right of reversion or any right to the use of the Station or any air time on the Station after the Closing.

6.3 Risk of Loss. The risk of any loss, damage, impairment, confiscation, or condemnation of any of the Assets from any cause whatsoever shall be borne by Seller at all times prior to the Closing. In the event of loss or damage to or destruction of any of the Assets prior to Closing, Seller shall repair, replace, or restore such Assets to achieve compliance with its representations and warranties under this Agreement expeditiously, and in all events prior to the Closing Date; provided, however, that Seller shall be under no obligation to make such repairs, replacements or restorations if the costs thereof exceed Seller's insurance coverage. If the costs do exceed Seller's insurance coverage, and Seller elects not to complete repairs using its own funds, Buyer may elect to terminate this Agreement without further liability by either party to the other, or elect to have Seller assign the insurance proceeds to Buyer and proceed to Close.

6.4 Confidentiality. Except as necessary for the consummation of the transaction contemplated by this Agreement, and except as and to the extent required by law or any securities exchange, each party will keep confidential any information obtained from the other party in connection with the transactions contemplated by this Agreement. If this Agreement is terminated, each party will return to the other party all information obtained by such party from the other party in connection with the transactions contemplated by this Agreement.

6.5 Cooperation. Buyer and Seller shall cooperate fully with each other and their respective counsel and accountants in connection with any actions required to be taken as part of their respective obligations under this Agreement, and Buyer and Seller shall execute such other

documents as may be necessary and desirable to the implementation and consummation of this Agreement, and otherwise use their commercially reasonable efforts to consummate the transaction contemplated hereby and to fulfill their obligations under this Agreement.

6.6 Buyer Conduct. Buyer shall take no action or fail to take any action that would disqualify Buyer from being the licensee of the Station under the Communications Act of 1934, as amended, and the rules, regulations and policies of the FCC.

## SECTION 7. CONDITIONS TO OBLIGATIONS OF BUYER AND SELLER AT CLOSING

7.1 Conditions to Obligations of Buyer. All obligations of Buyer at the Closing are subject at Buyer's option to the fulfillment prior to or at the Closing Date of each of the following conditions:

(1) Representations and Warranties. All representations and warranties of Seller contained in this Agreement shall be true and complete at and as of the Closing Date as though made at and as of that time except to the extent that (i) such inaccuracy would not have a material adverse effect, (ii) any such representation or warranty is expressly stated only as of a specified earlier date, in which case such representation or warranty shall be true as of such earlier date and (iii) any changes are contemplated by this Agreement.

(2) Covenants and Conditions. Seller shall have performed and complied with all covenants, agreements, and conditions required by this Agreement to be performed or complied with by them prior to or on the Closing Date, except to the extent such noncompliance would not have a material adverse effect.

(3) FCC Consent and Construction Permit Grant. The FCC Consent shall have been granted, and become a Final Order without the imposition on Buyer of any material adverse condition,, and Seller shall have complied with any conditions imposed on it by the FCC Consent. Buyer may choose, at its sole discretion, to waive the requirement for a Final Order for the FCC action. The grant of a construction permit to Seller to change the channel of the Station to Channel 34, FCC File No. BPTTL-20040823AAT, shall not have been rescinded or modified adversely; nor shall any petition for reconsideration or review of the grant of the construction permit be pending.

(4) Deliveries. Seller shall have made or stand willing to make all the deliveries to Buyer set forth in Section 8.2.

(5) Consents. All consents specified in Schedule 3.3 shall have been obtained in writing, including, but not limited, to the consent of Omni-Tek, Inc. to the assumption by Buyer of Seller's lease for the transmitter site.

(6) Litigation. There shall be no order, judgment or decree in effect issued by any court of law restraining, preventing, or making unlawful the Closing, and no petition or suit shall be pending before any court of law seeking such relief.

(7) Station Operating. The Station shall be on the air and operating at least eighteen (18) hours per day, every day, with at least 90% of the effective radiated power and at the antenna height specified in its current license.

7.2 Conditions to Obligations of Seller. All obligations of Seller at the Closing are subject at Seller=s option to the fulfillment prior to or at the Closing Date of each of the following conditions:

(1) Representations and Warranties. All representations and warranties of Buyer contained in this Agreement shall be true and complete at and as of the Closing Date as though made at and as of that time, except to the extent that (i) such inaccuracy would not have a material adverse effect on Buyer=s ability to perform its obligations hereunder, (ii) any such representation or warranty is expressly stated only as of a specified earlier date, in which case such representation or warranty shall be true as of such earlier date and (iii) any changes are contemplated by this Agreement.

(2) Covenants and Conditions. Buyer shall have performed and complied with in all material respects all covenants, agreements, and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

(3) Deliveries. Buyer shall have made or stand willing to make all the deliveries set forth in Section 8.3.

(4) FCC Consent. The FCC Consent shall have been granted without the imposition on Seller of any material adverse conditions, and Buyer shall have complied with any conditions imposed on it by the FCC Consent.

(5) Litigation. There shall be no order, judgment or decree in effect issued by any court of law restraining, preventing, or making unlawful the Closing, and no petition or suit shall be pending before any court of law seeking such relief.

SECTION 8. CLOSING AND CLOSING DELIVERIES

8.1 Closing.

(1) Closing Date. Subject to the satisfaction or, to the extent permissible by law, waiver (by the party for whose benefit the Closing condition is imposed) on the date scheduled for Closing, of the conditions precedent set forth in Sections 7.1 and 7.2, as appropriate, the Closing shall take place at 10:00 a.m. on a date, to be set by Buyer on at least five business days= written notice to Seller, that is (1) not earlier than the first business day after the FCC Consent is granted and (2) not later than ten business days following the date upon which the FCC Consent has become a Final Order. If Buyer fails to give notice of the Closing Date by the date which is five business days prior to the date set forth in clause (2) in the preceding sentence, the Closing shall take place on the tenth business day following the date on which the FCC Consent has become a Final Order.

(2) Closing Place. The Closing shall be held at any place that is agreed upon by Buyer and Seller. Closing shall be held by mail, overnight delivery, and facsimile, without the personal presence of the parties, to the extent feasible. If the parties cannot agree on a closing location, Closing shall be held at Seller's offices in West Palm Beach, Florida.

8.2 Deliveries by Seller. Prior to or on the Closing Date, Seller shall deliver to Buyer the following, in form and substance reasonably satisfactory to Buyer and its counsel:

(1) Transfer Documents. Duly executed bills of sale, assignments, and other transfer documents which shall be sufficient to vest good and marketable title to the Assets in the name of Buyer, free and clear of all mortgages, liens, restrictions, encumbrances, claims, and obligations;

(2) Consents. An executed copy of any instrument evidencing receipt of all required Consents; and

(3) Officer's Certificate. A certificate, dated as of the Closing Date, executed by Seller, certifying compliance by Seller with the conditions set forth in Sections 7.1(a) and (b).

8.3 Deliveries by Buyer. Prior to or on the Closing Date, Buyer shall deliver to Seller the following, in form and substance reasonably satisfactory to Seller and their counsel:

(1) Purchase Price. The Purchase Price, as adjusted pursuant to Section 2.3(2);

(2) Assumption Agreements. Appropriate assumption agreements pursuant to which Buyer shall assume and undertake to perform Seller=s obligations under the Licenses and Assumed Contracts as provided in Section 2.5; and

(3) Members' Certificate. A certificate, dated as of the Closing Date, executed by Buyer, certifying compliance by Buyer with the conditions set forth in Sections 7.2(1) and (2).

## SECTION 9. TERMINATION

9.1 Termination by Seller. This Agreement may be terminated by Seller, if Seller is not then in material default, upon written notice to Buyer, upon the occurrence of any of the following:

(1) Conditions. If, on the date that would otherwise be the Closing Date, Seller shall have notified Buyer in writing that one or more of the conditions precedent to the obligations of Seller set forth in Section 7.2 of this Agreement have not been satisfied by Buyer or waived in writing by Seller and such condition or conditions shall not have been satisfied by Buyer or waived in writing by Seller within five days following such notice.

(2) Judgments. If, on the date that would otherwise be the Closing Date, there is in effect any judgment, decree, or order that would prevent or make unlawful the Closing.

(3) Upset Date. If the Closing shall not have occurred by December 15, 2005.

(4) Breach. If Buyer has failed to cure any material breach of any of its representations, warranties or covenants under this Agreement within thirty (30) days after Buyer received written notice of such breach from Seller.

9.2 Termination by Buyer. This Agreement may be terminated by Buyer, if Buyer is not then in material default, upon written notice to Seller, upon the occurrence of any of the following:

(1) Conditions. If, on the date that would otherwise be the Closing Date, Buyer shall have notified Seller in writing that one or more of the conditions precedent to the obligations of Buyer set forth in Section 7.1 of this Agreement have not been satisfied by Seller or waived in writing by Buyer and such condition or conditions shall not have been satisfied by Seller or waived in writing by Buyer within five days following such notice.

(2) Judgments. If, on the date that would otherwise be the Closing Date, there is in effect any judgment, decree, or order that would prevent or make unlawful the Closing.

(3) Upset Date. If the Closing shall not have occurred by December 15, 2005.

(4) Breach. If Seller have failed to cure any material breach of any of their representations, warranties or covenants within thirty (30) days after Seller received written notice of such breach from Buyer.

(5) Due Diligence Period. During the thirty (30-day) period following the date of this Agreement, Buyer shall conduct due diligence with respect to the transaction contemplated by

this Agreement. Seller shall give Buyer reasonable and prompt access to the Station's facilities and records. At or before the end of the 30-day period, Buyer may notify Seller that it does not wish to proceed with the transaction, for any reason. In that event, this Agreement shall terminate, each party shall be released from its obligations hereunder, neither party shall have any liability to the other, and the Deposit shall be returned in full to Buyer. Reasonable access to the Station's facilities and records shall continue to be afforded to Buyer up to the time of Closing, but Seller shall have no further right to terminate except for a breach by Buyer of this Agreement.

SECTION 10. SURVIVAL OF REPRESENTATIONS AND WARRANTIES;  
INDEMNIFICATION; CERTAIN REMEDIES

10.1 Representations, Warranties and Covenants. All representations and warranties contained in this Agreement shall be deemed continuing representations and warranties and shall survive the Closing for a period of nine (9) months and any claim for a breach of a representation or warranty must be brought prior to the expiration of three (3) months after the end of such period. Any claim for indemnification in respect of a covenant or agreement of Buyer or Seller hereunder to be performed before the Closing shall be made prior to the date which is six (6) months from the Closing Date. The covenants and agreements in this Agreement to be performed after the Closing shall survive the Closing until fully performed.

10.2 Indemnification by Seller. Subject to Sections 10.1 and 10.4, Seller hereby agrees to indemnify and hold Buyer harmless against and with respect to, and shall reimburse Buyer for:

- (1) Any and all losses, liabilities, or damages resulting from any untrue representation, breach of warranty, or non-fulfillment of any covenant by Seller contained in this Agreement or in any certificate, document, or instrument delivered to Buyer under this Agreement.
- (2) Any and all obligations of Seller not assumed by Buyer pursuant to this Agreement, including any liabilities arising at any time under any Contract not included in the Assumed Contracts.
- (3) Any and all losses, liabilities, or damages resulting from the operation or ownership of the Station prior to the Closing, including, but not limited to, any liabilities arising under the Licenses or the Assumed Contracts which relate to events occurring prior the Closing Date and any fines or forfeitures imposed by the FCC based on events, omissions, or circumstances existing prior to the Closing.
- (4) Any and all actions, suits, proceedings, claims, demands, assessments, judgments, costs, and expenses, including reasonable legal fees and expenses, incident to any of the foregoing or incurred in investigating or attempting to avoid the same or to oppose the imposition thereof, or in enforcing this indemnity.

10.3 Indemnification by Buyer. Subject to Sections 10.1 and 10.4, Buyer hereby agrees to indemnify and hold Seller harmless against and with respect to, and shall reimburse Seller for:

(1) Any and all losses, liabilities, or damages resulting from any untrue representation, breach of warranty, or non-fulfillment of any covenant by Buyer contained in this Agreement or in any certificate, document, or instrument delivered to Seller under this Agreement.

(2) Any and all obligations of Seller assumed by Buyer pursuant to this Agreement.

(3) Any and all losses, liabilities or damages resulting from the operation or ownership of the Station on and after the Closing.

(4) Any and all actions, suits, proceedings, claims, demands, assessments, judgments, costs and expenses, including reasonable legal fees and expenses, incident to any of the foregoing or incurred in investigating or attempting to avoid the same or to oppose the imposition thereof, or in enforcing this indemnity.

10.4 Attorneys= Fees. In the event of a default by either party which results in a lawsuit or other proceeding for any remedy available under this Agreement, the prevailing party shall be entitled to reimbursement from the other party of its reasonable legal fees and expenses.

## SECTION 11. MISCELLANEOUS

11.1 Fees and Expenses. Seller shall pay any federal, state, or local sales or transfer tax arising in connection with the conveyance of the Assets by Seller to Buyer pursuant to this Agreement. Buyer shall pay all filing fees required by the FCC for the application for consent to license assignment. Except as otherwise provided in this Agreement, each party shall pay its own expenses incurred in connection with the authorization, preparation, execution, and performance of this Agreement, including all fees and expenses of counsel, accountants, agents, and representatives. Each party shall be responsible for all fees or commissions payable to any finder, broker, advisor, or similar person retained by or on behalf of such party.

11.2 Notices. All notices, demands, and requests required or permitted to be given under the provisions of this Agreement shall be (a) in writing, (b) delivered by personal delivery, or sent by commercial delivery service or registered or certified mail, return receipt requested, (c) deemed to have been given on the date of personal delivery or the date set forth in the records of the delivery service or on the return receipt, and (d) addressed as follows:



EXECUTION COPY

If to Seller: Paxson Communications License Company, LLC  
601 Clearwater Park Road  
West Palm Beach, Florida 33401-6233  
Attention: Mr. Lowell W. Paxson

If to Buyer: Giant City Media, Inc.  
11125 Park Boulevard  
Seminole, Florida 33772  
Attention: Mr. Todd Cralley

or to any other or additional persons and addresses as the parties may from time to time designate in a writing delivered in accordance with this Section 11.2.

11.3 Benefit and Binding Effect. Neither party hereto may assign this Agreement without the prior written consent of the other party hereto provided, however, that Buyer may assign its rights and/or obligations under this Agreement to any legal entity under majority common control with Buyer, as long as such assignment shall not require a postponement of the Closing Date, and provided further that such assignment shall not relieve Buyer of any obligations under this Agreement that are not performed by Buyer's assignee. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors, and permitted assigns.

11.4 Further Assurances. The parties shall take any actions and execute any other documents that may be necessary or desirable to the implementation and consummation of this Agreement, including, in the case of Seller, any additional bills of sale, deeds, or other transfer documents that, in the reasonable opinion of Buyer, may be necessary to ensure, complete, and evidence the full and effective transfer of the Assets to Buyer pursuant to this Agreement.

11.5 Governing Law. THIS AGREEMENT SHALL BE GOVERNED, CONSTRUED, AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF FLORIDA (WITHOUT REGARD TO THE CHOICE OF LAW PROVISIONS THEREOF).

11.6 Headings. The headings in this Agreement are included for ease of reference only and shall not control or affect the meaning or construction of the provisions of this Agreement.

11.7 Gender and Number. Words used in this Agreement, regardless of the gender and number specifically used, shall be deemed and construed to include any other gender, masculine, feminine, or neuter, and any other number, singular or plural, as the context requires.

11.8 Entire Agreement. This Agreement, the schedules, hereto, and all documents, certificates, and other documents to be delivered by the parties pursuant hereto, collectively represent

the entire understanding and agreement between Buyer and Seller with respect to the subject matter hereof.

11.9 Waiver of Compliance; Consents. Except as otherwise provided in this Agreement, any failure of any of the parties to comply with any obligation, representation, warranty, covenant, agreement, or condition herein may be waived by the party entitled to the benefits thereof only by a written instrument signed by the party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, representation, warranty, covenant, agreement, or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. Whenever this Agreement requires or permits consent by or on behalf of any party hereto, such consent shall be given in writing in a manner consistent with the requirements for a waiver of compliance as set forth in this Section 11.9.

11.10 Escrow. Buyer shall deposit with Irwin, Campbell & Tannenwald, P.C., the sum of THIRTY-ONE THOUSAND SEVEN HUNDRED FIFTY **DOLLARS** (\$31,750) upon execution of the Purchase Agreement (the "Deposit"), pursuant to an Escrow Deposit Agreement among the parties providing for such funds to be deposited into Escrow Agent's escrow bank account separated from its general funds and moved promptly into a separate interest-bearing account at a federally insured commercial bank. In the event that the Buyer wrongfully fails to close and all conditions precedent to Buyer's obligation to close have been met, then only in that event Buyer shall forfeit the Deposit to Seller as liquidated damages and as the exclusive remedy of Seller against Buyer.

11.11 Counterparts. This Agreement may be signed in counterparts with the same effect as if the signature on each counterpart were upon the same instrument.

11.12. Specific Performance. Seller and Buyer each recognize and acknowledge that in the event that Seller shall fail to perform its obligations to consummate the transaction contemplated hereby, money damages alone will not be adequate to compensate Buyer for its injury. Therefore, in the event of a breach or threatened breach of this Agreement by Seller, Buyer shall be entitled to specific performance of this Agreement and of Seller's obligation to consummate the transaction contemplated hereby, without any requirement for Buyer to post bond or provide any other security beyond pledging the Deposit, such requirement, if any, being hereby waived by each Seller.

11.13. No Shop. Seller understands and acknowledges that Buyer will incur significant expenses in connection with its review and investigation of the Station and pursuit of the transactions contemplated by this Agreement. Accordingly, Seller agrees that so long as this Agreement remains in effect, Seller will not, nor will it permit any parent, affiliate, employee, attorney, accountant, financial adviser or other representative of Seller to negotiate with, solicit or participate in negotiations with any third party other than Buyer with respect to the sale of all or any portion of the Assets or any similar transaction with respect to the Station.

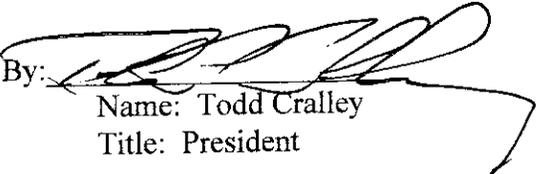
EXECUTION COPY

IN WITNESS WHEREOF, the parties hereto have duly executed this Asset Purchase Agreement as of the day and year first above written.

PAXSON COMMUNICATIONS LPTV, INC.

WEST KENTUCKY SAND  
AND GRAVEL, INC.,  
dba GIANT CITY MEDIA, INC.

By: \_\_\_\_\_  
Name:  
Title:

By:   
Name: Todd Cralley  
Title: President

EXECUTION COPY

IN WITNESS WHEREOF, the parties hereto have duly executed this Asset Purchase Agreement as of the day and year first above written.

PAXSON COMMUNICATIONS LPTV, INC.

WEST KENTUCKY SAND  
AND GRAVEL, INC.,  
dba GIANT CITY MEDIA, INC.

By:   
Name: SETH GREENMAN  
Title: CEO

By: \_\_\_\_\_  
Name: Todd Cralley  
Title: President

SCHEDULE 2.2

Excluded Assets

None.



SCHEDULE 3.3

Consents

Tower Landlord Omni-Tek, Inc.



SCHEDULE 3.4

Licenses

WIPX-LP license [File No. BLTTL-19970918JR] scheduled to expire August 1, 2005.

Modification application [File No. BPTTL-20040823AAT], scheduled to expire November 15, 2007.



SCHEDULE 3.5

Real Property

None apart from lease with Omni-Tek, Inc.



SCHEDULE 3.6

EXECUTION COPY

Tangible Personal Property

ASSET TYPE	MANUFACTURER	MODEL	SERIAL	DESCRIPTION	TA
SAT_EQU TRANSMIT	COMTECH ITS	830A	59671165 10	DISH ANTENNA 10 FT UHF LP TV TRANSMITTER 1 KW	1002441 1002441
ANT_TXLI	ANTENNA CONCEPTS ANDREW	ACS-8A		UHF TELEVISION ANTENNA 8-BAY W/ RADOME T/L 200 FT AIR HELIAX 7/8	1002461 1002441
STUD_TEC REMCNTL BROADC	D. CO GENTNER ONMI-TEK	910-085-101	0250	CHARACTER GENERATOR GSC3000 I/O 8 W/ COMMAND RELAY UNIT REALIGNMENT OF SATELLITE DISH TO GALAXY	1002441 1002461 1002441
BROADC	DIVICOM	PV-1200	9601.5018 8	PROVIEW IRD C-BAND SATELLITE RECEIVER	1002441
BROADC	OLSON	OTD-3000	532178	OLSON AGILE OTD 3000 TV DEMODULATOR	1002441
FCC GOOD				FCC LICENSE GOODWILL	1 1

SCHEDULE 3.7

Contracts

Tower Lease Agreement dated July 15, 1998 with Omni-Tek, Inc. The Tower Lease as assigned to Buyer shall permit continued operation on Channel 51 with no increase in rent or other adverse changes.

Seller shall also assign to Buyer all of its rights (if any) under manufacturer's, vendor's, or other warranties and/or service contracts pertaining to any of the Tangible Personal Property.

Existing telephone service at the transmitter site will be transferred to Buyer.

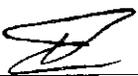


EXECUTION COPY

SCHEDULE 3.9

Intangibles

Call Sign WIPX-LP



SCHEDULE 3.11

Litigation

None.



SCHEDULE 4.3

Consents

None

