

**IN THE UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF ARKANSAS**

IN RE:	§	
	§	
EQUITY MEDIA HOLDINGS CORPORATION, <u>et al.</u>	§	CASE NO. 4:08-BK-17646
	§	JOINTLY ADMINISTERED
	§	
DEBTORS	§	CHAPTER 11

ORDER AUTHORIZING AND APPROVING (I) THAT CERTAIN ASSET PURCHASE AGREEMENT BETWEEN CERTAIN OF THE DEBTORS, UNITED ASSURANCE COMPANY LIMITED, AND GLOBAL BROADCASTING NETWORK, INC. AND (II) THE CONSUMMATION OF THE TRANSACTIONS THEREUNDER, INCLUDING (A) THE ASSUMPTION AND ASSIGNMENT OF CERTAIN EARTH STATION LICENSES, AND (B) THE SALE OF CERTAIN ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS AND ENCUMBRANCES

Upon the motion, dated February 23, 2010 (the “Motion”) [Docket #697], filed by Equity Media Holdings Corporation (“EMHC”) and its subsidiary debtors in the above jointly administered cases (the “Subsidiary Debtors”),¹ as debtors and debtors-in-possession, for entry of an order pursuant to sections 363(b), 363(f), 365(a) and 365(f) of title 11 of the United States Code (the “Bankruptcy Code”), and Rules 6004 and 6006 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) authorizing and approving that certain Purchase Agreement, dated February 19, 2010 (the “Purchase Agreement”), between EMHC, C.A.S.H. Services, Inc., and H&H Properties I Limited Partnership (collectively, the “Sellers”) and Global Broadcasting Network, Inc. and United Assurance Company Limited (collectively, the “Buyer”), including (a)

¹ The Subsidiary Debtors include Arkansas 49, Inc., EBC Detroit, Inc., EBC Harrison, Inc., Borger Broadcasting, Inc., EBC Jacksonville, Inc., C.A.S.H. Services, Inc., EBC Kansas City, Inc., Equity News Services, Inc., EBC Los Angeles, Inc., Denver Broadcasting, Inc., EBC Minneapolis, Inc., EBC Atlanta, Inc., EBC Nashville, Inc., EBC Panama City, Inc., EBC Buffalo, Inc., Fort Smith 46, Inc., Logan 12, Inc., Marquette Broadcasting, Inc., Nevada Channel 3, Inc., Nevada Channel 6, Inc., Newmont Broadcasting Corporation, EBC Provo, Inc., Price Broadcasting, Inc., Pullman Broadcasting, Inc., EBC Scottsbluff, Inc., Rep Plus, Inc., EBC Seattle, Inc., River City Broadcasting, Inc., EBC Southwest Florida, Inc., Roseburg Broadcasting, Inc., TV 34, Inc., EBC Syracuse, Inc., EBC Pocatello, Inc., EBC St. Louis, Inc., EBC Waterloo, Inc., La Grande Broadcasting, Inc., Montgomery 22, Inc., Shawnee Broadcasting, Inc., EBC Waco, Inc., Vernal Broadcasting, Inc., Wyoming Channel 2, Inc., H&H Properties Limited Partnership, Woodward Broadcasting, Inc., Montana Broadcasting Group, Inc., Central Arkansas Payroll Company, Montana License Sub, Inc., Equity Broadcasting Corporation, Equity Insurance Inc., KLRA, Inc., EBC Mt. Vernon, Inc., EBC Wichita Falls, Inc. and EBC Boise, Inc.

the assumption and assignment of certain earth station licenses, and (b) the sale of certain assets free and clear of all liens, claims and encumbrances; and there being no responses or objections to the Motion; and after due deliberation and sufficient cause appearing therefore;

IT IS HEREBY FOUND AND DETERMINED:

A. The Court has jurisdiction to consider the Motion and the relief requested therein as it pertains to this Order pursuant to 28 U.S.C. §§ 157 and 1334.

B. As evidenced by the certificate of service filed with the Court, and based on the representations of counsel in the Motion, (A) proper, timely, adequate, and sufficient notice of the Motion and the relief requested therein, the Purchase Agreement and the transactions contemplated therein, has been provided in accordance with sections 105, 363 and 365 of the Bankruptcy Code and Bankruptcy Rules 2002, 6004, 6006, 9013 and 9014, and this Court's Order Establishing Notice Procedures, dated April 1, 2009 [Docket # 338], by the Debtors having provided notice to the following: (i) the Office of the United States Trustee for the Eastern District of Arkansas (the "U.S. Trustee"); (ii) counsel for Silver Point Finance L.L.C., the administrative agent under the Debtors' post-petition financing facility (in such capacity, the "DIP Agent"); (iii) the Debtors' other secured creditors, including One Bank & Trust, N.A.; (iv) the creditors holding the 30 largest unsecured claims against the Debtors' estates (on a consolidated basis); (v) those persons who have formally appeared and requested service of these cases pursuant to Bankruptcy Rule 2002; (vi) the Buyer; (vii) Pulaski County tax authority; (viii) the non-debtor limited partner to H&H Properties I Limited Partnership, (ix) Fleming Electric; and (x) the Securities and Exchange Commission, the Internal Revenue Service and the Federal Communications Commission; (B) such notice was good and sufficient and appropriate under the particular circumstances; and (C) no other or further notice of the Motion, this Order, or the

Purchase Agreement is required.

C. A reasonable opportunity to object or be heard with respect to the Motion and the relief requested therein has been afforded to all those parties listed in paragraph B above.

D. The Purchase Agreement was negotiated at arm's-length and proposed and entered into by and among the Sellers and the Buyer without collusion and in good faith. The Buyer is a good faith purchaser in accordance with section 363(m) of the Bankruptcy Code and is entitled to all of the protections afforded thereby. The good faith of the Sellers and the Buyer is evidenced by, among other things, the following facts: (1) the Sellers and the Buyer have engaged in substantial arm's length negotiations in good faith, and the Purchase Agreement and related documents executed or to be executed thereunder are the product of such negotiations among the parties; (2) the Sellers conducted a competitive sales process during which other parties had an opportunity to submit competing bids for the Purchased Assets; and (3) the Sellers determined that the Buyer's bid as reflected in the Purchase Agreement was the highest and best offer for the Purchased Assets.

E. The relief sought in the Motion is in the best interests of the Sellers, their estates, their creditors, and all parties in interest.

F. The Purchase Agreement constitute the highest and best offer for the Purchased Assets, and will provide a greater recovery for each of the respective Sellers' estates than would be provided by any other available alternative. Each Seller's determination that the Purchase Agreement constitutes the highest and best offer for the Purchased Assets constitutes a valid and sound exercise of such Seller's business judgment.

G. The Purchase Agreement represents a fair and reasonable offer to purchase the Purchased Assets under the circumstances of these chapter 11 cases. No other person or entity or

group of entities has offered to purchase the Purchased Assets for greater economic value to the respective Seller's estate than the Buyer.

H. Approval of the Sale Motion and the Purchase Agreement and the consummation of the transactions contemplated thereby is in the best interests of the Sellers, their stakeholders, their estates and other parties in interest.

I. The Sellers have demonstrated compelling circumstances, advanced sound and sufficient business justification, and it is a reasonable exercise of their business judgment, to: (i) enter into the Purchase Agreement; and (ii) consummate the transactions contemplated therein (the "Sale Transaction") outside of a chapter 11 plan.

J. The consummation of the Sale Transaction is properly authorized under all applicable provisions of the Bankruptcy Code, including, without limitation, sections 105(a), 363(b), 363(f), 365(a), 365(b) and 365(f) of the Bankruptcy Code, and all of the applicable provisions of such sections have been complied with in respect of the Sale Transaction.

K. Except as explicitly stated in the Purchase Agreement, the Purchased Assets are being sold "as is, where is" with no representations or warranties by the Sellers.

L. The Sellers have the requisite power and authority to transfer the Purchased Assets to the Buyer as contemplated in the Purchase Agreement.

M. Each Seller and Buyer have entered into the Purchase Agreement wherein the parties agree that, *inter alia*, the purchase price (the "Purchase Price") to be paid by the Buyer to the Sellers is the sum of the Skyport Premises Cash Component plus the Skyport Assets Cash Component plus the assumption of the Assumed Liabilities.

N. The consideration provided by the Buyer for the Purchased Assets shall be deemed to constitute reasonably equivalent value and fair consideration under the Bankruptcy Code and applicable state law.

ACCORDINGLY, THE COURT HEREBY ORDERS THAT:

1. The findings of fact set forth above and the conclusions of law stated herein shall constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any finding of fact later shall be determined to be a conclusion of law, it shall be so deemed, and to the extent any conclusion of law later shall be determined to be a finding of fact, it shall be so deemed.

2. The Motion is granted as it pertains to the Sale Transaction.

3. The Purchase Agreement and each of the agreements, documents and instruments executed in connection therewith (together with the Purchase Agreement, the "Transaction Documents") are approved in their entirety.

4. All parties in interest have had the opportunity to object to the relief requested in the Motion and to the extent that objections to the Motion or the relief requested therein have not been withdrawn, waived, or settled, such objections and all reservations of rights included therein are overruled on the merits. Those parties who did not object, or who withdrew their objections, to the Motion or this Order are deemed to have consented pursuant to section 363(f)(2) of the Bankruptcy Code.

5. The Sale Transaction is hereby approved pursuant to sections 105(a), 363(b), 363(f), 365(a), 365(b) and 365(f) of the Bankruptcy Code.

6. Each Seller is authorized, pursuant to sections 105(a), 363(b) and 365(a) of the Bankruptcy Code, to perform all of its obligations under the Transaction Documents and to execute such other documents and take such other actions as are necessary to effectuate the transactions contemplated by the Purchase Agreement.

7. Except as otherwise provided in this decretal paragraph, the sale of the Purchased Assets to the Buyer pursuant to the Purchase Agreement will vest the Buyer with good title to the Purchased Assets, to the broadest extent permissible pursuant to section 363(f) of the Bankruptcy Code free and clear of all Liens (as defined in section 101(37) of the Bankruptcy Code), claims, encumbrances and interests, and Debts (as defined in section 101(12) of the Bankruptcy Code) arising under, relating to, or in connection with any of the Debtors, whether arising prior to or subsequent to the commencement of these cases, and whether imposed by agreement, understanding, law, equity or otherwise and will be a legal, valid and effective transfer of the Purchased Assets; provided, however, that the Liens of the DIP Lenders (as defined in the Motion), shall be transferred and attached to the Skyport Assets Cash Component (as defined in the Motion), and the Liens of One Bank & Trust, N.A. (“One Bank”) shall be transferred and attached to the Skyport Premises Cash Component (as defined in the Motion), each with the same validity, enforceability, priority, force and effect that they now have as against the Purchased Assets; and provided, further, that the Liens of Pulaski County shall remain in effect with the same validity, enforceability, providing force and effect that they now have against the Purchased Assets.

8. At the Closing, the Sellers shall pay, or cause to be paid, the proceeds of the Skyport Premises Cash Component (net of the Fleming Payment and the commission due to Patrick Communications LLC on the Skyport Premises Cash Component) to One Bank in full

and final satisfaction of all of One Bank's Liens, claims, encumbrances and interests with respect to the Debtors or the Skyport Premises, and One Bank shall take such actions and execute such documents as may be reasonably requested by the Buyer and/or the Sellers to release One Bank's Liens on the Skyport Premises.

9. At the Closing, the Sellers shall pay, or cause to be paid, the total sum of \$6,000 from the Skyport Premises Cash Component to Fleming Electric in full and final satisfaction of all Liens against the Skyport Premises, and Fleming Electric shall take such actions and execute such documents as may be reasonably requested by the Buyer and/or the Sellers to release Fleming Electric's Liens on the Skyport Premises; provided, however, that for the avoidance of doubt, nothing contained in this Order shall be deemed to impair or restrict the claims, if any, of Fleming Electric solely against First National Title Company.

10. Subject to Paragraph 26, the Sellers' assumption of the Earth Station Licenses pursuant to section 365 of the Bankruptcy Code is approved effective as of the Closing under the Purchase Agreement and FCC approval of same. For the avoidance of doubt, unless and until assumption of any such Earth Station License occurs, the Sellers may, upon the prior written agreement of the Buyer, reject any Earth Station License pursuant to section 365 of the Bankruptcy Code and any such Earth Station License shall not be assigned to the Buyer.

11. Subject to Paragraph 26, the applicable Seller is authorized to assign the Earth Station Licenses to the Buyer pursuant to section 365(f) of the Bankruptcy Code and as contemplated by the Purchase Agreement and this Order.

12. Upon assumption and assignment, the Sellers shall be relieved from any further obligation or liability for any breach of the Earth Station Licenses occurring after such assumption and assignment.

13. If for any reason the Closing does not occur and/or the Purchase Agreement is terminated pursuant to its terms, the Seller shall be deemed not to have assumed any of the Earth Station Licenses under the Purchase Agreement.

14. Upon Closing, pursuant to the Purchase Agreement, to the extent identified in the Purchase Agreement, the Excluded Assets will remain in the respective Seller's estate.

15. Upon Closing, pursuant to the Purchase Agreement, to the extent identified in the Purchase Agreement, the Assumed Liabilities shall be transferred to the Buyer.

16. To the extent permitted in the Purchase Agreement, the Buyer is authorized to assign its rights and interests in the Purchase Agreement and/or the Purchased Assets in accordance with the terms of the Purchase Agreement.

17. Upon Closing, each Seller is authorized and directed to use the proceeds of the Skyport Assets Cash Component to repay the obligations owed to the DIP Lenders in accordance with the terms of the DIP Loan Agreement, as applicable, without further application to or order of the Court, which amounts shall not be subject to any avoidance, reduction, setoff, recoupment, offset, recharacterization, subordination (whether equitable, contractual or otherwise), counterclaims, cross-claims, defenses, disallowance, impairment or any other challenges under the Bankruptcy Code or any other applicable law or regulation by any person or entity.

18. No broker or other party is entitled to a commission other than Patrick Communications LLC.

19. No person shall take any action to prevent, interfere with or otherwise enjoin consummation of the transactions contemplated in or by the Purchase Agreement or this

Order.

20. The Transaction Documents may be modified, amended or supplemented by the parties thereto in accordance with the terms thereof without further order of the Court; provided, however, that, in connection therewith, the parties shall obtain the prior written consent of the DIP Lenders, which consent shall not be unreasonably withheld; and provided, further, that any such modification, amendment or supplement shall neither be material nor materially change the economic substance of the transactions contemplated hereby.

21. The failure to specifically include any particular provision of the Transaction Documents in this Order shall not diminish or impair the effectiveness of such provisions, it being the intent of the Court that the Transaction Documents and the Sellers' implementation of the transactions contemplated therein be approved in their entirety.

22. In the absence of a stay pending appeal, in the event that the Sellers and the Buyer elect to consummate transactions contemplated by the Purchase Agreement at any time after the entry of this Order, then with respect to the transactions approved and authorized herein, the Buyer, as a purchaser in good faith within the meaning of section 363(m) of the Bankruptcy Code, shall be entitled to the protections of 363(m) of the Bankruptcy Code in the event this Order or any authorization contained herein is reversed or modified on appeal.


23. The Court shall retain exclusive jurisdiction (a) over the construction, performance and enforcement of the terms and provisions of this Order, the Transaction Documents, all amendments thereto, and any waivers and consents thereunder, (b) to compel delivery of the Purchase Price to the Sellers in accordance with the terms and conditions of the Purchase Agreement, and (c) to resolve any disputes, controversies or claims arising out of or relating to this Order or the Transaction Documents.

24. The terms of this Order shall be binding on and inure to the benefit of the Sellers, the Debtors, the Buyer, and the Debtors' creditors and all other parties in interest, and any successors of the Sellers or the Debtors, the Buyer, and the Debtors' creditors, including any trustee or examiner appointed in these cases or any subsequent or converted cases of the Debtors under chapter 7 or chapter 11 of the Bankruptcy Code.

25. This Order shall be effective and enforceable immediately upon entry of this Order and the stay imposed by Bankruptcy Rules 6004(h) and 6006(d) is hereby waived.

26. Notwithstanding any other provision in this Order, no assignment of any rights and/or interests of the Debtors, including, without limitation, any rights in any federal license issued by the Federal Communications Commission (the "FCC"), shall take place prior to the issuance of FCC regulatory approval for such assignment pursuant to the Communications Act of 1934, as amended, and the rules and regulations promulgated thereunder. The FCC's rights and powers to take any action pursuant to its regulatory authority, including, but not limited to, imposing any regulatory conditions on such assignments and setting any regulatory fines or forfeitures, are fully preserved, and nothing herein shall proscribe or constrain the FCC's exercise of such power or authority to the extent provided by law.

IT IS SO ORDERED



HONORABLE JAMES G. MIXON
UNITED STATES BANKRUPTCY JUDGE

DATE: 03/19/10

EOD 3/19/2010
by R Johnson