

## ESCROW AGREEMENT

This ESCROW AGREEMENT (the "Agreement") is executed as of this 14th day of June 2007, by, between and among GOCOM MEDIA OF ILLINOIS, LLC, a Delaware limited liability company ("Buyer"), and ACME TELEVISION OF ILLINOIS, LLC, a Delaware limited liability company ("ACME"), and ACME TELEVISION LICENSES OF ILLINOIS, LLC, a Delaware limited liability company ("ACME Licenses" and collectively with ACME, "Sellers"); and COMMERCE BANK, N.A. ("Escrow Agent").

### R E C I T A L S :

A. Buyer, Sellers and ACME Television, LLC have entered into that certain Asset Purchase Agreement dated as of the date hereof (the "Purchase Agreement"), pursuant to which Sellers have agreed to convey, transfer and deliver to Buyer substantially all of Sellers' assets used in the operation and business of television station WBUI(TV) and its associated DTV station WBUI-DT, Decatur, Illinois.

B. The Purchase Agreement provides that Buyer will deliver a cash deposit in the amount of Four Hundred Thousand Dollars (\$400,000) (the "Escrow Deposit") upon its execution and delivery of the Purchase Agreement to secure the obligation of Buyer to close under the Purchase Agreement and to be held, drawn upon and disbursed by Escrow Agent in accordance with the terms of this Agreement.

### A G R E E M E N T S :

NOW THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows.

## ARTICLE I ESCROW DEPOSIT

**1.01 Delivery.** On the date hereof Buyer is depositing in escrow with Escrow Agent Four Hundred Thousand Dollars (\$400,000) by wire transfer of immediately available federal funds, and such amount shall comprise the Escrow Deposit. Any interest or other proceeds from the investment thereof shall be referred to as the "Earnings" and collectively with the Escrow Deposit, as the "Escrow Amount."

**1.02 Receipt.** Escrow Agent will acknowledge receipt of the Escrow Deposit when the Escrow Deposit is received on the date hereof and shall hold and disburse the Escrow Amount in accordance with the terms and conditions of this Agreement and for the uses and purposes stated herein.

**1.03 Investment and Income.** Escrow Agent shall, pending the disbursement of the Escrow Amount pursuant to this Agreement, invest the Escrow Amount in accordance with Buyer's written instructions in (a) direct obligations of, or obligations fully guaranteed by, the United States of America or any agency thereof, (b) certificates of deposit issued by commercial banks having a combined capital, surplus and undivided profits of not less than One Hundred Million Dollars (\$100,000,000), (c) repurchase agreements collateralized by securities issued by the United States of America or any agency thereof, or by any private corporation the obligations of which are guaranteed

by the full faith and credit of the United States of America, (d) prime banker's acceptances, (e) money market funds investing solely in any of the above, or (f) other investments of equal or greater security and liquidity; provided, however, that no investment shall be made in any instrument or security that has a maturity date that is more than sixty (60) days from the date of this Agreement. The Escrow Agent shall have no liability for any loss sustained as a result of any investment in an investment described in this Section 1.03 or any investment made pursuant to the instructions of the parties hereto or as a result of any liquidation of any investment prior to its maturity or for the failure of the parties to give Escrow Agent instructions to invest or reinvest the Escrow Amount. The Escrow Agent shall have the right to liquidate any investments in order to provide funds necessary to make the required payments under this Escrow Agreement. The parties to this Agreement recognize and agree that the Escrow Agent will not provide supervision, recommendations, or advice relating to either the investment of moneys held hereunder or the purchase, sale, retention, or other disposition of any investment described herein. Receipt, investment and reinvestment of the Escrow Amount shall be confirmed by the Escrow Agent as soon as practicable by account statement, and any discrepancies in any such account statement shall be noted by the parties to the Escrow Agent within thirty (30) calendar days after receipt thereof. Failure to inform the Escrow Agent in writing of any discrepancies in any such account statement within said thirty (30) day period shall conclusively be deemed confirmation of such account statement in its entirety, absent manifest error. In the absence of any instructions from Buyer and Sellers, Escrow Agent shall invest the Escrow Amount in Goldman Sachs Financial Square Prime Obligations Services Shares Fund.

**1.04 Payments and Tax Reporting of Earnings.** Any Earnings shall be reportable to Buyer for tax purposes. Buyer and Sellers, each on its own behalf, represents that its correct Taxpayer Identification Number ("TIN") assigned by the Internal Revenue Service ("IRS") is as set forth on its applicable, fully executed IRS Form W-9 delivered to Escrow Agent in connection herewith. Escrow Agent shall report and, as required, withhold any taxes as it determines may be required by any law or government regulation in effect at the time of the distribution. In the absence of timely direction, all proceeds of the Escrow Amount shall be retained in the Escrow Amount and reinvested from time to time by the Escrow Agent as provided in Section 1.03. In the event that any Earnings remain undistributed at the end of any calendar year, Escrow Agent shall report to the Internal Revenue Service or such other authority such Earnings as it deems appropriate or as required by any applicable law or government regulation or, to the extent consistent therewith, as directed in writing by Buyer and Sellers. In addition, Escrow Agent shall withhold any taxes it deems appropriate and shall remit such taxes to the appropriate authorities.

## **ARTICLE II DISBURSEMENT OF THE ESCROW AMOUNT**

Escrow Agent, subject to the provisions of Article IV, shall disburse or release the Escrow Amount only in accordance with this Article II or Section 3.04.

**2.01 Disbursement of the Escrow Amount by Escrow Agent at Closing.** Buyer and Sellers shall notify Escrow Agent regarding the scheduling of the date for the consummation of the transaction contemplated by the Purchase Agreement (the "Closing"). Contingent upon the occurrence of the Closing, and contemporaneously with the performance by Buyer and Sellers of their respective Closing obligations under the Purchase Agreement, Buyer and Sellers shall, by joint written notice sent by facsimile to Escrow Agent, notify Escrow Agent of the occurrence of the Closing and instruct Escrow Agent to disburse the Escrow Deposit to Sellers and any Earnings to

Buyer. Upon receipt of such notice, Escrow Agent shall disburse, by wire transfer of immediately available funds in U.S. dollars, the Escrow Deposit to Sellers and any Earnings to Buyer.

**2.02 Entitlement of Sellers to Liquidated Damages.** If prior to Closing Sellers shall deliver to Escrow Agent written notice stating (i) that Sellers are entitled to be disbursed the Escrow Amount in accordance with Section 11.5(iii) of the Purchase Agreement (a “Damages Event”), and (ii) that Sellers have delivered notice of such claim to Buyer in accordance with the terms of this Agreement, then Escrow Agent shall, immediately after the expiration of ten (10) Business Days from the date Buyer is given such notice, if Escrow Agent shall not have received from Buyer written notice disputing Sellers’ claim to the Escrow Amount, deliver the Escrow Amount to Sellers by wire transfer in immediately available funds in accordance with written instructions from Sellers, as liquidated damages (Buyer and Sellers recognizing that actual damages suffered by Sellers as a result of a breach by Buyer are likely to be difficult or impractical to ascertain and, therefore, the payment of the Escrow Amount to Sellers is fair and reasonable and does not constitute a penalty). If Buyer shall deliver notice to Escrow Agent disputing Sellers’ claim to the Escrow Amount within such ten (10) Business Day period, Escrow Agent shall retain the Escrow Amount until the dispute is resolved in accordance with Section 2.04 hereof. All notices to be given or permitted to be given under this Section shall be given as provided in Section 6.01 of this Agreement.

**2.03 Buyer’s Right to Return of the Escrow Amount.** If Buyer shall deliver to Escrow Agent written notice stating (i) that the Purchase Agreement has been terminated for a reason other than a Damages Event, (ii) that Buyer is entitled to the return of the Escrow Amount in accordance with the Purchase Agreement, and (iii) that Buyer has delivered a copy of such notice to Sellers in accordance with the terms of this Agreement, then Escrow Agent shall, immediately after the expiration of ten (10) Business Days from the date Sellers are given such notice, if Escrow Agent shall not have received from Sellers written notice disputing Buyer’s claim to the Escrow Amount, disburse the Escrow Amount to Buyer. If Sellers shall give notice disputing Buyer’s claim to the Escrow Amount within such ten (10) Business Day period, Escrow Agent shall retain the Escrow Amount until the dispute is resolved in accordance with Section 2.04 hereof. All notices to be given or permitted to be given under this Section shall be given as provided in Section 6.01 of this Agreement.

**2.04 Dispute.** If there is (a) any dispute among any of the parties to this Agreement (a “Dispute”), including with respect to (i) the occurrence of a Damages Event, (ii) Sellers’ claim to the Escrow Amount, (iii) Buyer’s claim to the Escrow Amount, or (iv) the interpretation or administration of this Agreement, or (b) Escrow Agent shall be uncertain as to its duties or rights hereunder or shall receive instructions, claims or demands from any party hereto that, in its opinion, conflict with any of the provisions of this Agreement, Escrow Agent shall not comply with any such claims or demands from either Buyer or Sellers as long as such Dispute may continue. In so refusing to comply with such claims or demands of Buyer or Sellers, Escrow Agent shall be entitled to refrain from taking any action, and it shall make no delivery or other disposition of any portion of the Escrow Amount then held by it under this Agreement, until it has received a final court order from a court of competent jurisdiction directing disposition of the Escrow Amount or until it has received appropriate written instructions signed by both Buyer, on the one hand, and Sellers, on the other hand. A judgment or order of a court under any provision of this Agreement shall not be deemed to be final until the time within which an appeal may be taken therefrom has expired and no appeal has been taken, or until the entry of a judgment or order from which no appeal may be taken. Notwithstanding anything to the contrary in this Agreement, Escrow Agent may deposit the Escrow

Amount with the clerk of any court of competent jurisdiction upon commencement of an action in the nature of interpleader or in the course of any court proceedings.

**2.05 Disbursement of Escrow Amount in Accordance with Joint Instructions.**

Notwithstanding the provisions of Sections 2.01 through 2.04 above, Escrow Agent, upon receipt of written instructions regarding the disbursement of the Escrow Amount signed by both Buyer, on the one hand, and Sellers, on the other hand, shall disburse the Escrow Amount, or a portion thereof, in accordance with such instructions.

**ARTICLE III  
ESCROW AGENT**

**3.01 Appointment and Duties.** Buyer and Sellers hereby appoint Escrow Agent to serve hereunder, and Escrow Agent hereby accepts such appointment and agrees to perform all duties that are expressly set forth in this Agreement. Escrow Agent may execute any of its powers and perform any of its duties hereunder directly or through agents or attorneys (and shall be liable only for the careful selection of any such agent or attorney) and may consult with counsel, accountants and other skilled persons to be selected and retained by it. The Escrow Agent shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled persons.

**3.02 Fees.** Escrow Agent shall be entitled to the fees set forth on Schedule A, one-half of which will be paid by Buyer, on the one hand, and one-half of which will be paid by Sellers, on the other hand. Notwithstanding the terms of Article II hereof, Escrow Agent is hereby authorized to deduct any party's unpaid fee first from the Earnings that are paid to such party and then from any other portion of the Escrow Amount.

**3.03 Indemnification.** Both Buyer, on the one hand, and Sellers, on the other hand, will, at their expense, jointly and severally, indemnify Escrow Agent and its directors, officers, agents and employees from all loss, liability or expense (including the reasonable fees and expenses of in house or outside counsel) from any and all claims, regardless of nature, arising out of or because of this Agreement, and exonerate Escrow Agent from any liability in connection with this Agreement, except as such may arise because of Escrow Agent's gross negligence, bad faith or willful misconduct in performing its specified duties as Escrow Agent. Nothing in this Section 3.03 shall be construed as a waiver of any claim that Buyer or Sellers may have against the other for contribution arising from their joint obligation to hold Escrow Agent harmless hereunder. The parties hereto acknowledge the foregoing indemnities shall survive the resignation or removal of Escrow Agent, the termination of this Agreement or the disbursement of the Escrow Amount.

**3.04 Resignation.** Escrow Agent may resign at any time upon giving the other parties hereto thirty (30) days' prior written notice to that effect. In such event, the successor shall be such person, firm or corporation as shall be mutually selected by Buyer, on the one hand, and Sellers, on the other hand. It is understood and agreed that such resignation shall not be effective until such successor agrees to act hereunder; provided, however, that, if no successor is appointed and acting hereunder within thirty (30) days after such notice is given, Escrow Agent may pay and deliver the Escrow Amount into a court of competent jurisdiction. Any corporation or association into which the escrow business of the Escrow Agent may be merged or converted or with which it may be consolidated, or any corporation or association to which all or substantially all the escrow business of the Escrow Agent's escrow line of business may be transferred, shall be the Escrow Agent under this

Escrow Agreement without further act, and Escrow Agent shall give Buyer and Sellers prompt notice of the occurrence of such merger, conversion or consolidation pursuant to Section 6.01.

**3.05 Account Opening Information.** Buyer and Sellers hereby acknowledge and agree that Escrow Agent has provided them the following notice:

#### IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

For accounts opened in the United States:

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. When an account is opened, Escrow Agent will ask for information that will allow it to identify relevant parties.

For non-United States accounts:

To help in the fight against the funding of terrorism and money laundering activities we are required along with all financial institutions to obtain, verify, and record information that identifies each person who opens an account. When any persons open an account, Escrow Agent will ask for information that will allow it to identify such person.

### ARTICLE IV LIABILITIES OF THE ESCROW AGENT

**4.01 Limitations.** Escrow Agent shall be liable only to accept, hold and disburse the Escrow Amount in accordance with the provisions of this Agreement and any amendments hereto, provided, however, that Escrow Agent shall not incur any liability with respect to (i) any action taken or omitted in good faith upon the advice of its counsel given with respect to any questions relating to its duties and responsibilities as Escrow Agent under this Agreement, so long as such action or inaction is consistent with the terms of this Agreement, or (ii) any action taken or omitted in reliance upon any instrument that Escrow Agent shall in good faith believe to be genuine (including the execution, the identity or authority of any person executing such instrument, its validity and effectiveness, and the truth and accuracy of any information contained therein), to have been signed by a proper person or persons, and to conform to the provisions of this Agreement.

**4.02 Collateral Agreements.** Escrow Agent shall not be bound in any way by any other contract or agreement between the other parties hereto, whether or not it has knowledge of any such contract or agreement or of its terms or conditions.

### ARTICLE V TERMINATION

This Agreement terminates (i) upon disbursement or release of the Escrow Amount by Escrow Agent in accordance with the terms of Article II hereof, (ii) by written consent signed by all parties, or (iii) upon payment of the Escrow Amount into a court of competent jurisdiction in accordance with Section 3.04 hereof. This Agreement shall not be otherwise terminated.

**ARTICLE VI  
OTHER PROVISIONS**

**6.01 Notices.** Notices. All notices, demands, and requests required or permitted to be given under the provisions of this Agreement shall be (i) in writing, may be sent by telecopy (with automatic machine confirmation), delivered by personal delivery, or sent by commercial delivery service, (ii) deemed to have been given on the date of actual receipt, which may be conclusively evidenced by the date set forth in any telecopy confirmation, an affidavit of service by the party making the personal delivery, or in the records of any commercial delivery service, and (iii) addressed to the recipient at the address specified below, or with respect to any party, to any other address that such Party may from time to time designate in a writing delivered in accordance with this Section 6.01:

If to Buyer:

GOCOM Media of Illinois, LLC  
Attn: Richard L. Gorman, President  
200 Main Street, Suite 201 B  
Hilton Head Island, SC 29926  
Telephone: (843) 342-4405  
Telecopy: (843) 342-4406

with a copy (which shall  
not constitute notice) to:

Stephen C. Brissette, Esq.  
Wyrick Robbins Yates & Ponton LLP  
4101 Lake Boone Trail, Suite 300  
Raleigh, NC 27607  
Telephone: 919-781-4000  
Telecopy: 919-781-4856

If to Sellers:

ACME Television of Illinois, LLC  
ACME Television Licenses of Illinois, LLC  
Attn: Thomas D. Allen, Executive Vice President  
2101 E. Fourth Street, Suite 202  
Santa Ana, CA 92705  
Telephone: 714-245-9499  
Telecopy: 714-245-9494

with a copy (which shall  
not constitute notice) to:

Lewis J. Paper, Esq.  
Dickstein Shapiro LLP  
1825 Eye Street, NW  
Washington, DC 20006  
Telephone: 202-420-2265  
Telecopy: 202-420-2201

If to Escrow Agent:

Commerce Bank, N.A.  
Attn: Mary Dallatore  
Corporate Trust Services  
101 Haddonfield Road, 2nd Floor  
Cherry Hill, New Jersey 08002-4401  
Telephone: 856-482-5710  
Telecopy: 856-482-5706

**6.02 Benefit and Assignment.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Except in the case of an assignment by Escrow Agent pursuant to Section 3.04, or an assignment by Buyer to a permitted assignee pursuant to the Purchase Agreement (upon notice to Escrow Agent and Sellers and in compliance with the reasonable informational requirements of Escrow Agent with respect to Buyer's permitted assignee), no party to this Agreement may, directly or indirectly, by merger, operation of law, or otherwise, assign either this Agreement or any of its rights, interests or obligations under this Agreement without the prior written consent of the other party. No assignment consented to under this Agreement shall act as a novation and the assigning party shall not be released from, and shall remain fully liable for, all of its obligations and liabilities under this Agreement. Any assignment in violation of this Agreement shall be null and void *ab initio*. Notwithstanding the foregoing, if a successor Escrow Agent is appointed pursuant to Section 3.04 hereof upon written instructions by Sellers and Buyer, Escrow Agent shall assign its rights, interests and obligations hereunder to such successor concurrently with its transfer of the Escrow Amount thereto.

**6.03 Entire Agreement; Amendment; Waiver.** This Agreement contains all the terms agreed upon between Escrow Agent, on one hand, and Sellers and Buyer, on the other hand, with respect to the subject matter hereof. This Agreement may be amended, supplemented or modified only by a written instrument signed by the parties hereto. Except as otherwise provided in this Agreement, any failure of any of the parties to comply with any obligation, covenant or agreement 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, covenant or agreement shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

**6.04 Headings; Section; Business Day.** The headings of the articles, sections and subsections of this Agreement are for ease of reference only and do not evidence the intentions of the parties. Any reference made herein to an "Article" or a "Section" shall, unless otherwise indicated, be a reference to an article or section of this Agreement. As used herein, "Business Day" shall mean any day excluding Saturdays, Sundays and any day that is a legal holiday under the laws of the United States or is a day on which the Escrow Agent or banking institutions located in State of New Jersey are authorized or required by law or other governmental action to close.

**6.05 Governing Law.** This Agreement shall be governed, construed and enforced in accordance with the laws of the State of New Jersey applicable to contracts made and performed in that State without giving effect to any choice or conflict of law principle, provision or rule (whether the State of New Jersey or any other jurisdiction), including all matters of construction, interpretation, validity and performance. Notwithstanding the foregoing, nothing set forth in this Section 6.05 shall be deemed to govern disputes between Buyer, on the one hand, and Sellers, on the other hand, arising under or with respect to the Purchase Agreement.

**6.06 Counterparts.** This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, and all of which counterparts together shall constitute one and the same fully executed instrument. Signature pages delivered via email of scanned, or facsimile transmission of, executed signature pages shall be sufficient to make this Agreement binding.

**6.07 Mutual Contribution.** The parties to this Agreement and their counsel have mutually contributed to its drafting and to the drafting of all other agreements referenced herein to which each such party is a party. Consequently, no provision of this Agreement (or any such agreement referenced herein) shall be construed against any party on the ground that such party drafted the provision or caused it to be drafted or the provision contains a covenant of such party.

*[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK; THE NEXT PAGE IS THE SIGNATURE PAGE]*

IN WITNESS WHEREOF, the parties hereto have duly executed this Escrow Agreement as of the date first above written.

BUYER:

**GOCOM MEDIA OF ILLINOIS, LLC**

By:   
Name: Rui Gorenman  
Title: CEO

SELLERS:

**ACME TELEVISION OF ILLINOIS, LLC**

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

**ACME TELEVISION OF ILLINOIS LICENSES, LLC**

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

ESCROW AGENT:

**COMMERCE BANK, N.A.**

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

IN WITNESS WHEREOF, the parties hereto have duly executed this Escrow Agreement as of the date first above written.

BUYER:

GOCOM MEDIA OF ILLINOIS, LLC

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

SELLERS:

ACME TELEVISION OF ILLINOIS, LLC

By:   
Name: THOMAS D. AUEN  
Title: EXEC. V.P.

ACME TELEVISION OF ILLINOIS LICENSES, LLC

By:   
Name: THOMAS D. AUEN  
Title: EXEC. V.P.

ESCROW AGENT:

COMMERCE BANK, N.A.

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

IN WITNESS WHEREOF, the parties hereto have duly executed this Escrow Agreement as of the date first above written.

BUYER:

**GOCOM MEDIA OF ILLINOIS, LLC**

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

SELLERS:

**ACME TELEVISION OF ILLINOIS, LLC**

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

**ACME TELEVISION OF ILLINOIS LICENSES, LLC**

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

ESCROW AGENT:

**COMMERCE BANK, N.A.**

By: Mary Dallatore  
Name: Mary Dallatore  
Title: Corporate Trust Officer

**SCHEDULE A**

**Fees**

**ESCROW AGENT**

Administration Fee:	<u>\$2,000</u>
TOTAL AMOUNT DUE:	\$2,000