

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made as of December 12, 2011, between ACME Television Licenses of Madison, LLC, a Delaware limited liability company ("ATLM"), and ACME Television of Madison, LLC, a Delaware limited liability company ("ATM," and, with ATLM, sometimes collectively referred to hereinafter as "Seller"), on the one hand, and Byrne Acquisition Group, LLC, a South Carolina limited liability company ("Buyer"), on the other hand.

Recitals

A. Seller owns and holds all of the assets and governmental licenses, including licenses and other authorizations (the "FCC Licenses") from the Federal Communications Commission (the "FCC"), used in the operation of full-power digital broadcast television station WBUW, Madison, Wisconsin, (FCC Facility ID Number 26025) (the "Station") ; and

B. Subject to the terms and conditions set forth herein, Buyer desires to acquire and Seller desires to sell the Purchased Assets (as defined below).

Agreement

NOW, THEREFORE, taking the foregoing into account, and in consideration of the mutual covenants and agreements set forth herein, the parties, intending to be legally bound, hereby agree as follows:

SECTION 1: PURCHASE OF ASSETS

1.1. Purchased Assets. On the terms and subject to the conditions hereof, on the Closing Date (as defined below), Seller shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase and acquire from Seller, all right, title and interest of Seller in and to the assets, properties, interests and rights of Seller set forth below, but excluding the Excluded Assets as hereafter defined (the "Purchased Assets"):

(a) the FCC Licenses and the other transferable municipal, state and federal franchises, licenses, permits or other governmental authorizations relating to the Station, all of which are described on *Schedule 1.1(a)*, including any renewals or modifications thereof between the date hereof and Closing (as defined below);

(b) Seller's equipment, electrical devices, antennas, cables, transmitters, transmission lines, furniture, fixtures, towers, office materials and supplies, books, records, plans, hardware, tools, spare parts and other tangible personal property listed on *Schedule 1.1(b)*, except any retirements or dispositions thereof made between the date hereof and Closing consistent with Section 4.1 of this Agreement (the "Tangible Personal Property");

(c) the rights of Seller under the tower space leases (the "Tower Space Leases") and other licenses, contracts and agreements used in the operation of the Station (other than Real Estate Leases, as defined below), all of which are described on *Schedule 1.1(c)* collectively, the "Station Contracts";

(d) all of Seller's rights in and to the Station's call letters (WBUW) and other intellectual property and any goodwill associated with the Station, its call letters and other intellectual property (the "Intangible Property");

(e) the public inspection file for the Station and any technical information and engineering data relating to Tangible Personal Property in Seller's possession; and

(f) the rights of Seller under the real estate leases (the "Real Estate Leases"), all of which are identified on *Schedule 1.1(f)*.

The Purchased Assets shall be assigned, transferred, and otherwise conveyed to Buyer free and clear of liens, mortgages, pledges, security interests, claims and encumbrances ("Liens") except for (i) Assumed Obligations (as defined in Section 1.3), (ii) Liens for taxes, assessments and governmental charges not yet due and payable, (iii) such Liens, easements, rights of way, building and use restrictions, zoning laws and ordinances, exceptions, reservations and limitations that do not in any material respect detract from the value of the property subject thereto or impair the use thereof in the ordinary course of the business of the Station, (iv) inchoate materialmen's, mechanics', workmen's, repairmen's or other like Liens arising in the ordinary course of business, (v) Liens not created by Seller or its affiliates which affect the underlying fee interest of any leased real property under the Station Contracts, and (vi) any items listed on *Schedule 1.1(b)* (collectively, "Permitted Liens").

1.2. Excluded Assets. Notwithstanding anything to the contrary contained herein, the Purchased Assets do not include the business of the Station as a going concern or any properties, assets, privileges, rights, interests, claims, real or personal, tangible or intangible, of any type or description, of Seller except as set forth in Section 1.1 (the "Excluded Assets"). The Excluded Assets include, without limitation, the following assets:

(a) all cash and cash equivalents of Seller, including without limitation certificates of deposit, commercial paper, treasury bills, marketable securities, checking accounts, asset or money market accounts and all such similar accounts or investments;

(b) all tangible and intangible personal property of Seller disposed of or consumed in the ordinary course of business of Seller between the date hereof and Closing consistent with Section 4.1 of this Agreement;

(c) any of the Station Contracts that terminate or expire prior to Closing in the ordinary course of business of Seller consistent with Section 4.1 of this Agreement;

(d) Seller's name, company minute books, charter documents, company record books and such other books and records as pertain to the organization, existence or share capitalization of Seller, duplicate copies of the records of the Station, and all records not relating to the operation of the Station;

(e) contracts of insurance, and all insurance proceeds, rights thereto or claims made thereunder;

(f) any pension, profit-sharing or cash or deferred (Section 401(k)) plans and trusts and the assets thereof and any other employee benefit plan or arrangement and the assets thereof, if any, maintained by Seller;

(g) all assets, property, interests and rights of Seller used or held for use (in whole or in part) primarily in connection with any other television station, asset, property, interest or operation of Seller or any affiliate of Seller;

(h) all equipment, fixtures and personal property not listed on *Schedule 1.1(b)*;

(i) any contract, agreement or lease not listed on *Schedule 1.1(c)* or *Schedule 1.1(f)*;

(j) all accounts receivable and other monies generated from operation of the Station prior to Closing (the "Accounts Receivable"); and

(j) all rights of Seller arising under this Agreement.

1.3. Assumption of Obligations. Buyer shall assume, pay and perform all debts, obligations, contracts and liabilities of Seller that arise or accrue at or after the Effective Time (as defined below) under the Station Contracts, the FCC Licenses, the Real Estate Leases, and the ownership or holding of the other Purchased Assets (the "Assumed Obligations"). Except as is expressly set forth in this Agreement, neither Buyer nor any of its affiliates shall assume, take subject to or be liable for any debt, obligation or liability of any kind or nature, whether absolute, contingent, accrued, known or unknown, whether or not relating to the Station or Seller or any affiliate of Seller (the "Excluded Liabilities"). Seller shall be responsible for payment of all accounts payable outstanding as of the Effective Time (as defined below).

1.4. Purchase Price. In consideration for the sale of the Purchased Assets to Buyer, in addition to the assumption of the Assumed Obligations, Buyer shall deliver to Seller \$1,825,000 (the "Purchase Price").

1.5. Payment of Purchase Price.

(a) Buyer shall deposit \$90,000.00 (the "Earnest Money") with CobbCorp, LLC (the "Escrow Agent") upon signing the Agreement pursuant to a separate escrow agreement (the "Escrow Agreement"). The Earnest Money shall be applied as part payment of the Purchase Price at Closing. In the event that any of the conditions to Closing hereto are not satisfied or waived, or in the event of termination of this Agreement pursuant to Section 10.1(b) because of a breach of this Agreement by Seller, then the Earnest Money shall be returned to Buyer, but such return shall not affect any other remedies available to Buyer for such breach. In the event this Agreement is terminated pursuant to Section 10.1(c) because of a breach of this Agreement by Buyer, the Earnest Money will be paid to Seller as liquidated damages in full compensation for any damages that Seller may sustain thereby.

(b) The Purchase Price will be payable at the Closing. Buyer shall pay Seller the Purchase Price by wire transfer of immediately available federal funds pursuant to wire instructions which Seller shall provide to Buyer.

1.6. Closing. The consummation of the sale and purchase of the Purchased Assets and the assumption of the Assumed Obligations hereunder (the "Closing") shall take place in person, or by facsimile or email (pdf) with overnight delivery, on the tenth (10th) day after the FCC Consent becomes effective, at which time all of the conditions set forth in Sections 6 and 7 hereof shall have been satisfied or waived. The date on which the Closing is to occur is referred to herein as the "Closing Date." The effective time of the Closing shall be 12:01 a.m., New York, New York time, on the Closing Date (the "Effective Time").

1.7. Prorations and Adjustments.

(a) All income and expenses of the Station generated or incurred from operation of the Station prior to the Effective Time shall be for the account of Seller, and all income and expenses generated or incurred from operation of the Station after the Effective Time shall be for the account of Buyer. At the Closing, all income of the Station and all taxes and assessments and other expenses with respect to the Purchased Assets shall be apportioned and allocated between Buyer and Seller as of the Closing Date on the basis of the period of time to which such income or expenses apply. To the extent such items cannot be determined at Closing, a final settlement on such prorations and adjustments shall be made in accordance with Subsection (b) of this Section. If the Closing occurs before the tax rate is fixed for the then current term, the apportionment of taxes at Closing shall be upon the basis of the tax rate for the preceding tax year applied to the latest assessed valuation. If the tax rate is changed with respect to any period of time prior to the Closing Date, as defined herein, the post-Closing proration shall include a corresponding adjustment in the final proration made pursuant to this Section.

(b) To the extent that any of the foregoing prorations and adjustments cannot be determined as of the Closing Date, Buyer shall send Seller a proposed final statement of prorations and adjustments within thirty (30) days after the Closing Date. Seller shall provide Buyer with any objections to the proposed final statement within thirty (30) days of receipt (with the understanding that Seller's failure to respond during that time period will constitute acceptance of Buyer's proposed final statement). In the event of any disputes between the parties as to any prorations or adjustments under this Section, the amounts not in dispute shall be paid at the time provided herein and, if the parties cannot resolve any dispute within thirty (30) days after Buyer receives Seller's objections, the dispute shall be resolved by an independent certified public accountant or other independent party (in either case, the "CPA") who shall be jointly selected by the parties. The decision of the CPA shall be final and binding on each of the parties and enforceable by a court of competent jurisdiction. The fees and expenses of the CPA shall be paid one-half by Seller and one-half by Buyer.

1.8. Allocation. The Purchase Price shall be allocated among the Purchased Assets in accordance with a schedule to be prepared by the parties at or before Closing and incorporated in an Internal Revenue Service ("IRS") Form 8594. Each party shall be bound by such allocation in any reports, filings or disclosures to the IRS as well as any and every other governmental authority.

1.9. FCC Application. As soon as possible (but in no event later than five (5) business days after the date of this Agreement) Seller and Buyer shall file an application (the "FCC Application") with the FCC requesting the FCC's written consent (the "FCC Consent") to the assignment of the FCC Licenses from Seller to Buyer pursuant to this Agreement. Seller and Buyer shall diligently take all steps that are necessary, proper or desirable to expedite the prosecution of such application to a favorable conclusion and shall copy each other with any and all communications exchanged with the FCC with respect to the FCC Application. Each party shall promptly provide the other with a copy of any pleading, order or other document served on it relating to such application, shall furnish all information requested by the FCC, and shall be represented at all meetings or hearings scheduled to consider such application.

## SECTION 2: SELLER REPRESENTATIONS AND WARRANTIES

Seller hereby represents and warrants to Buyer as follows:

2.1. Organization. Seller is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, and is qualified to do business in Wisconsin. Seller has the requisite power and authority to execute and deliver this Agreement and all of the other agreements, certificates and instruments to be executed and delivered by Seller pursuant hereto or in connection with the transactions contemplated hereby (collectively, the "Seller Ancillary Agreements"), to consummate the transactions contemplated hereby and thereby and to comply with the terms, conditions and provisions hereof and thereof.

2.2. Company Authorization. The execution, delivery and performance of this Agreement and the Seller Ancillary Agreements by Seller have been duly authorized and approved by all necessary action of Seller and do not require any further authorization or consent of Seller. This Agreement is, and each Seller Ancillary Agreement when executed and delivered by Seller and the other parties thereto will be, a legal, valid and binding agreement of Seller enforceable in accordance with its respective terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

2.3. Governmental Authorization. The execution, delivery and performance by Seller of this Agreement and each Seller Ancillary Agreement and the consummation of the transactions contemplated hereby and thereby require no action by or in respect of, or filing with or notification to any federal, state or local or any foreign government, governmental, regulatory or administrative authority, agency or commission or any court, tribunal, or judicial or arbitral body (each a "Governmental Authority") other than (a) the FCC and (b) any such action by or in respect of or filing with any Governmental Authority as to which the failure to take, make or obtain would not have or would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. "Material Adverse Effect" means a material adverse effect on: (a) the ability of Seller to perform its obligations under this Agreement or any Seller Ancillary Agreement or (b) the condition (financial or otherwise) of the Purchased Assets taken as a whole; provided, that any Material Adverse Effect shall not include any change in, or effect on the condition of the Purchased Assets that is primarily attributable to (i) any change or development generally applicable to the television broadcast industry (including legislative or regulatory matters), (ii) general economic conditions, or (iii) any public announcement of the transactions contemplated by this Agreement.

2.4. No Conflicts. Neither the execution and delivery by Seller of this Agreement and the Seller Ancillary Agreements nor the consummation by Seller of any of the transactions contemplated hereby or thereby nor compliance by Seller with or fulfillment by Seller of the terms, conditions and provisions hereof or thereof will conflict with any organizational documents of Seller or any law, judgment, order, or decree to which Seller is subject except for any such conflicts which would not have or would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

2.5. FCC Licenses. ATLM is the holder of the FCC Licenses. Except as set forth on *Schedule 1.1(a)*, the FCC Licenses are in full force and effect and have not been revoked, suspended,

canceled, rescinded or terminated and have not expired. No petition to deny or other objection has been filed with respect to any pending application with respect to any of the FCC Licenses. Except as set forth on *Schedule 1.1(a)*, there is not pending or, to Seller's knowledge, threatened, any action by or before the FCC to revoke, suspend, cancel, rescind or materially adversely modify any of the FCC Licenses (other than proceedings of general applicability to the television industry), and there is not now issued or outstanding, by or before the FCC, any order to show cause, notice of violation, notice of apparent liability, or notice of forfeiture against ATLM with respect to the Station. The Station is operating in all material respects in conformity with the FCC Licenses, the Communications Act of 1934, as amended (the "Communications Act"), and the rules, regulations and policies of the FCC (collectively, "FCC Rules") applicable to full power television licensees. Other than the FCC Licenses, no licenses, permits or other similar authorizations issued by the FCC are required to own and operate the Station in substantially the same manner as it is being operated on the date hereof. Seller has filed or made all material applications, reports and other disclosures required by FCC Rules to be filed or made by Seller with respect to the Station and has timely paid all FCC regulatory fees with respect to the Station, except where the failure to do so would not reasonably be expected to materially adversely affect the Station.

2.6. Personal Property. *Schedule 1.1(b)* contains a list of all items of Tangible Personal Property included in the Purchased Assets. Seller has title to the Tangible Personal Property free and clear of Liens other than Permitted Liens. All material items of Tangible Personal Property are in good operating condition, ordinary wear and tear excepted.

2.7. Contracts. *Schedule 1.1(c)* contains a description of the Station Contracts. True and complete copies of the Station Contracts have been provided to Buyer. To Seller's knowledge, the Station Contracts are not subject to any suit for condemnation or other taking by any Governmental Authority. The Station Contracts are in effect and are binding upon Seller and, to Seller's knowledge, the other parties thereto (subject to bankruptcy, insolvency, reorganization or other similar laws relating to or affecting the enforcement of creditors' rights generally). Seller has performed its obligations under the Station Contracts in all material respects, and is not in material default thereunder, and to Seller's knowledge, no other party to the Station Contracts is in default thereunder in any material respect.

2.8. Environmental. Except as set forth in any environmental report delivered by Seller to Buyer prior to the date hereof and except as set forth on *Schedule 1.1(c) and Scheduled 1.1(f)*, to Seller's knowledge, no hazardous or toxic substance or waste regulated under any applicable environmental, health or safety law has been generated, stored, transported or released by Seller on, in, from or to the property under any Tower Space Lease or the Real Estate Leases that are part of the Purchased Assets. Except as set forth in any environmental report delivered by Seller to Buyer prior to the date hereof and except as set forth on *Schedule 1.1(c) and Schedule 1.1(f)*, to Seller's knowledge, Seller has complied in all material respects with all Environmental Laws applicable to the Station. "Environmental Laws" are those environmental, health or safety laws and government regulations applicable to Seller's activities at the Station's studio or tower sites in effect as of the date of this Agreement.

2.9. Intangible Property. Seller has received no written notice of any claim that its use of the Intangible Property infringes upon any third party rights. Seller owns or has the right to use the Intangible Property free and clear of Liens other than Permitted Liens.

2.10. Insurance. Seller maintains insurance policies with respect to the Station and the Purchased Assets pursuant to commercially reasonable standards.

2.11. Compliance with Law. Other than with respect to matters addressed by Section 2.5, (a) Seller has complied in all material respects with all laws, regulations, rules, writs, injunctions, ordinances, franchises, decrees or orders of any court or of any Governmental Authority which are applicable to the operation of the Station, (b) there is no action, suit or proceeding pending before any court of competent jurisdiction against Seller in respect of the Station that will prevent the consummation of the transactions contemplated by this Agreement, and (c) there are no governmental claims or investigations pending against Seller in respect of the Station (except those affecting the television station industry generally).

2.12. Broker Fees. CobbCorp LLC is the only broker, finder or other person entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of Seller or any party acting on Seller's behalf. Fees due CobbCorp, LLC are the responsibility of Seller pursuant to a separate contract.

2.13. Employee Compensation. Information provided to Buyer during due diligence about the employees of Seller, including compensation, vacation benefits, retirement plans, and insurance benefits, has been correct and complete. Seller warrants that it will not materially increase the compensation of any such employee, nor will it make any other arrangements whatsoever with any employee concerning their employment, compensation or benefits, unless prior approval has been given by Buyer, which approval shall not be unreasonably withheld, conditioned, or delayed; provided, bonuses may be paid to employees by Seller prior to Closing.

2.14 Further Assurances. All financial statements of Seller furnished to Buyer have been true, correct and complete statements of the financial condition and results of Station operations as, at, and for the period therein specified and were prepared according to generally accepted accounting principles consistently applied and contained and reflected all necessary and material adjustments so as to present a fair and accurate statement of the results of the operations and financial condition for the period covered by such financial statements. Seller has filed all federal, state, county and local income, withholding, FICA, excise, property, sales, and use and other tax returns which are required to be filed by it and has paid all taxes due for periods prior to date hereof. To Seller's knowledge, there is no basis for the imposition of any material liabilities on Seller other than those disclosed by the financial statements or tax returns of Seller. No deficiencies have been proposed or assessed against Seller by the Internal Revenue Service or any other taxing authority, and no waivers of statutes of limitations or other extensions of time for the assessment of any tax against Seller are currently in effect. Seller has set aside, and shall have on the Closing date, reserves adequate to pay all such taxes accruing or incurred prior to the Closing Date.

### SECTION 3: BUYER REPRESENTATIONS AND WARRANTIES

Buyer hereby represents and warrants to Seller as follows:

3.1. Organization. Buyer is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, and is qualified to do business in Wisconsin. Buyer has the requisite power and authority to execute and deliver this Agreement and all of the other agreements, certificates and instruments to be executed and delivered by Buyer pursuant hereto or in connection with

the transactions contemplated hereby (collectively, the "Buyer Ancillary Agreements"), to consummate the transactions contemplated hereby and thereby and to comply with the terms, conditions and provisions hereof and thereof.

3.2. Corporate Authorization. The execution, delivery and performance of this Agreement and the Buyer Ancillary Agreements by Buyer have been duly authorized and approved by all necessary action of Buyer and do not require any further authorization or consent of Buyer. This Agreement is, and each Buyer Ancillary Agreement when executed and delivered by Buyer and the other parties thereto will be, a legal, valid and binding agreement of Buyer enforceable in accordance with its respective terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

3.3. Governmental Authorization. The execution, delivery and performance by Buyer of this Agreement and each Buyer Ancillary Agreement and the consummation of the transactions contemplated hereby and thereby require no action by or in respect of, or filing with or notification to any Governmental Authority other than (a) the FCC and (b) any such action by or in respect of or filing with any Governmental Authority as to which the failure to take, make or obtain would not have or would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on Buyer's ability to perform its obligations under this Agreement or the Buyer Ancillary Agreements.

3.4. No Conflicts. Neither the execution and delivery by Buyer of this Agreement and the Buyer Ancillary Agreements nor the consummation by Buyer of any of the transactions contemplated hereby or thereby nor compliance by Buyer with or fulfillment by Buyer of the terms, conditions and provisions hereof or thereof will conflict with any organizational documents of Buyer or any law, judgment, order or decree to which Buyer is subject, or require the approval, consent, authorization or act of, or the making by Buyer of any declaration, filing or registration with, any third party or any Governmental Authority, other than the FCC.

3.5. Qualification. Buyer is legally, financially and otherwise qualified to be the licensee of, acquire, own and operate the Station under the Communications Act and the FCC Rules. There are no facts that would, under existing law and existing FCC Rules disqualify Buyer as an assignee of the FCC Licenses or as the owner and operator of the Station. No waiver of any FCC Rule is necessary for the FCC Consent to be obtained. There is no action, suit or proceeding pending or, to Buyer's knowledge, threatened against Buyer before the FCC or any court of competent jurisdiction which questions the legality or propriety of the transactions contemplated by this Agreement or could materially adversely affect the ability of Buyer to perform its obligations hereunder.

3.6. Financing. Buyer has or will have prior to Closing sufficient cash, available lines of credit or other sources of immediately available funds to enable it to make payment of the Purchase Price and any other amounts to be paid hereunder.

3.7. No Finder. No broker, finder or other person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of Buyer or any party acting on Buyer's behalf.

#### SECTION 4: SELLER'S COVENANTS

4.1. Seller's Covenants. Between the date hereof and Closing, except as otherwise permitted by this Agreement or with the prior written consent of Buyer, which shall not be unreasonably withheld, Seller shall:

(a) operate the Station in the ordinary course of business consistent with past practice and in all material respects in accordance with FCC Rules and with all other applicable laws, regulations, rules and orders;

(b) maintain in effect its current insurance policies with respect to the Purchased Assets;

(c) maintain the FCC Licenses in full force and effect, timely file and prosecute any necessary applications for renewal of the FCC Licenses, timely file all material reports required to be filed with the FCC with respect to the FCC Licenses, and timely pay when due all annual regulatory fees with respect to the FCC Licenses;

(d) not, other than in the ordinary course of business in accordance with past practice, sell, lease or dispose of or agree to sell, lease or dispose of any of the Purchased Assets, or create, assume or permit to exist any Liens upon the Purchased Assets, except for Permitted Liens; and

(e) upon reasonable notice, give Buyer reasonable access during normal business hours to the Purchased Assets, and furnish Buyer with information relating to the Purchased Assets that Buyer may reasonably request, including, but not limited to, financial statements of Seller and the Station that are substantially correct and prepared in the ordinary course of business, and where audited by outside accountants, prepared in accordance with generally accepted accounting principles consistently applied; provided, that such rights of Buyer under this Section 4.1(e) shall, except for the preparation of financial statements of Seller and the Station which shall be done by the Seller at its own expense, be exercised at Buyer's sole expense and shall not be exercised in such a manner as to interfere unreasonably with the business of the Station.

## SECTION 5: JOINT COVENANTS

Buyer and Seller hereby covenant and agree that between the date hereof and Closing:

5.1. Cooperation. Subject to express limitations contained elsewhere herein, each party (i) shall cooperate fully with the other party in taking any reasonable actions (including without limitation, reasonable actions to obtain the required consent of any Governmental Authority or any third party) necessary or helpful to accomplish the transactions contemplated by this Agreement, including but not limited to the prompt satisfaction of any condition to Closing set forth herein, and (ii) shall not knowingly take any action that conflicts with its obligations hereunder or that causes its representations and warranties to become untrue in any material respect.

5.2. Control of Station. Buyer shall not, directly or indirectly, control, supervise or direct the operations of the Station prior to Closing. Consistent with the Communications Act and FCC Rules, control, supervision and direction of the Station's operations prior to Closing shall remain the responsibility of Seller as the holder of the FCC Licenses.

5.3. Consents to Assignment. The parties shall use commercially reasonable efforts to obtain any third-party consents necessary for the assignment of any of the Station Contracts (which shall

not require any payment to any such third party). To the extent that any of the Station Contracts may not be assigned without the consent of any third party, and such consent is not obtained prior to Closing, this Agreement and any assignment executed pursuant hereto shall not constitute an assignment thereof, but to the extent permitted by law shall constitute an equitable assignment by Seller and assumption by Buyer of Seller's rights and obligations under the applicable Station Contract, with Seller making available to Buyer the benefits thereof, provided that Buyer assumes all the obligations thereunder and otherwise complies with the terms of any such Station Contract.

5.4. Employment Matters. Buyer shall not be responsible for payment of any compensation or employee benefits accruing prior to Closing with respect to Seller's employees at the Station.

#### SECTION 6: SELLER CLOSING CONDITIONS

The obligations of Seller hereunder are, at its option, subject to satisfaction, at or prior to Closing, of each of the following conditions:

6.1. Representations, Warranties and Covenants. The representations and warranties of Buyer made in this Agreement, shall be true and correct in all material respects as of the Closing Date except for changes permitted or contemplated by the terms of this Agreement, and the covenants and agreements to be complied with and performed by Buyer at or prior to Closing shall have been complied with or performed in all material respects. Seller shall have received a certificate dated as of the Closing Date from Buyer executed by an authorized officer of Buyer, to the effect that the conditions set forth in this Section 6.1 have been satisfied.

6.2. FCC Consent. The FCC Consent shall have been granted by the FCC, and no court or governmental order prohibiting Closing shall be in effect.

6.3. Deliveries. Buyer shall have delivered the items required by Section 8.

#### SECTION 7: BUYER CLOSING CONDITIONS

The obligations of Buyer hereunder are, at its option, subject to satisfaction, at or prior to Closing, of each of the following conditions:

7.1. Representations, Warranties and Covenants. The representations and warranties of Seller made in this Agreement shall be true and correct in all material respects as of the Closing Date except for changes permitted or contemplated by the terms of this Agreement, and the covenants and agreements to be complied with and performed by Seller at or prior to Closing shall have been complied with or performed in all material respects. Buyer shall have received a certificate dated as of the Closing Date from Seller, executed by an authorized officer of Seller to the effect that the conditions set forth in this Section 7.1 have been satisfied.

7.2. FCC Consent. The FCC Consent shall have been granted by the FCC, and no court or governmental order prohibiting Closing shall be in effect.

7.3. Deliveries. Seller shall have delivered the items required by Section 8.

#### SECTION 8: CLOSING DELIVERIES

8.1. Seller Documents.

(a) On the business day prior to Closing, Seller shall deliver to Buyer written wire transfer instructions, as described in Section 1.5(b) hereof.

(b) At Closing, Seller shall deliver or cause to be delivered to Buyer:

(i) certified copies of resolutions authorizing the execution, delivery and performance of this Agreement, including the consummation of the transactions contemplated hereby;

(ii) the certificate described in Section 7.1;

(iii) an Assignment and Assumption Agreement, executed by Seller, through which Seller shall assign to Buyer Seller's right, title and interest in the Station Contracts and Real Estate Leases, and Buyer shall assume the Assumed Obligations;

(iv) a Bill of Sale for the Tangible Personal Property and the Intangible Property; and

(v) an Assignment of the FCC Licenses.

and

8.2. Buyer Documents. At Closing, Buyer shall deliver or cause to be delivered to Seller:

(a) certified copies of resolutions authorizing the execution, delivery and performance of this Agreement, including the consummation of the transactions contemplated hereby;

(b) the certificate described in Section 6.1;

(c) an Assignment and Assumption Agreement, executed by Buyer, through which Seller shall assign to Buyer Seller's right, title and interest in and to the Station Contracts and the Real Estate Leases, and Buyer shall assume the Assumed Obligations; and

(d) the Purchase Price in accordance with Sections 1.4 and 1.5 hereof along with instructions to the Escrow Agent to disburse the Earnest Money to Seller as part of the Purchase Price.

8.3 Further Documents. At Closing, Seller and Buyer shall execute and deliver shall other documents as the other party may reasonably request to effectuate the intent of the parties herein and to consummate the transaction contemplated by this Agreement.

SECTION 9: SURVIVAL; INDEMNIFICATION

9.1. Survival. The covenants, agreements, representations and warranties in this Agreement shall survive Closing for a period of twelve (12) months from the Closing Date, whereupon they shall expire and be of no further force or effect, except those under (i) this Section 9 that relate to Damages (as defined below) for which written notice is duly given by the indemnified party to the indemnifying party prior to the expiration, which shall survive until resolved; (ii) the last sentence of Section 2.6 (Condition of the Tangible Personal Property), which shall not survive Closing; and (iii) Sections 1.3

(Assumed Obligations), 1.4 (Purchase Price), 1.7 (Prorations and Adjustments) and 10.3 (Expenses), and the indemnification obligations with respect to such provisions, which shall survive until performed.

9.2. Indemnification.

(a) From and after the Effective Time, Seller shall defend, indemnify and hold harmless Buyer (which, for purposes of this section, includes Buyer's affiliates, members, directors, employees, attorneys, and agents) from and against any and all losses, costs, damages, liabilities and expenses, including reasonable attorneys' fees and expenses (collectively, "Damages"), incurred by Buyer arising out of or resulting from the breach of any of the representations or warranties of Seller hereunder or the breach of any covenant or other obligation of Seller under this Agreement.

(b) From and after the Effective Time, Buyer shall defend, indemnify and hold harmless Seller (which, for purposes of this section, includes Seller's affiliates, members, directors, employees, attorneys, and agents) from and against any and all Damages incurred by Seller arising out of or resulting from (i) the breach of any of the representations or warranties of Buyer hereunder or the breach of any covenant or other obligation of Buyer under this Agreement, (ii) the Assumed Obligations, or (iii) the operation of the Station by Buyer from and after the Effective Time.

9.3. Procedures.

(a) The indemnified party shall give prompt written notice to the indemnifying party of any demand, suit, claim or assertion of liability by third parties or other circumstances that could give rise to an indemnification obligation hereunder against the indemnifying party (a "Claim"), but a delay in giving such notice shall not affect the indemnified party's right to indemnification and the indemnifying party's obligation to indemnify as set forth in this Agreement, except to the extent the indemnifying party's ability to investigate, remedy, contest, defend or settle with respect to such Claim is thereby prejudiced. The notice of the Claim shall include all documents and other information required to understand the basis for the Claim and any deadlines applicable to any response by the indemnifying party.

(b) Upon receipt of a Claim which does not involve a third party demand or action, the indemnifying party shall have twenty (20) days to investigate the Claim and provide a written response to the indemnified party of the extent to which, if any, the indemnifying party disputes the Claim. If the indemnifying party does dispute all or any part of the Claim, the parties shall use commercially reasonable and good faith efforts to resolve the dispute.

(c) The obligations and liabilities of the parties with respect to any Claim based on a third party demand or action shall be subject to the following additional terms and conditions:

(i) The indemnifying party shall have the right to undertake, by counsel or other representatives of its own choosing, the defense or opposition to such Claim.

(ii) In the event that the indemnifying party shall elect not to undertake such defense or opposition, or, within ten (10) days after receipt of written notice from the indemnified party (which shall include sufficient description of background information, including documents delivered or served by the third party, explaining the basis for such Claim) of any such Claim, the indemnifying party shall fail to undertake to defend or oppose the Claim, the indemnified party (upon

further written notice to the indemnifying party) shall have the right to undertake the defense, opposition, compromise or settlement of such Claim, by counsel or other representatives of its own choosing, on behalf of and for the account and risk of the indemnifying party (subject to the right of the indemnifying party to assume defense of or opposition to such Claim at any time prior to settlement, compromise or final determination thereof).

(iii) Notwithstanding anything to the contrary contained herein, (1) the indemnified party shall have the right, at its own cost and expense, to participate in the defense, opposition, compromise or settlement of the Claim, (2) the indemnifying party shall not, without the indemnified party's written consent, settle or compromise any Claim or consent to entry of any judgment which does not include the giving by the claimant to the indemnified party of a release from all liability in respect of such Claim, and (3) in the event that the indemnifying party undertakes defense of or opposition to any Claim, the indemnified party, by counsel or other representative of its own choosing and at its sole cost and expense, shall have the right to consult with the indemnifying party and its counsel or other representatives concerning such Claim, and the indemnifying party and the indemnified party and their respective counsel or other representatives shall cooperate in good faith with respect to such Claim.

9.4 Limitations. Notwithstanding anything to the contrary contained herein, (a) neither party shall have any obligation for any Claim under this Section unless and until the aggregate amount of Damages for such Claim(s) exceeds \$12,500, and then the Claim(s) can include all Damages incurred, (b) neither party's obligations for Damages under this Section shall exceed \$900,000 in the aggregate, (c) this section shall constitute the parties' exclusive remedy for any and all matters subject to indemnification, and (d) Damages shall not include Buyer's obligation to remit Accounts Receivable to Seller in accordance with Section 11.4 hereof, which constitutes an obligation of Buyer's independent of this section.

## SECTION 10: MISCELLANEOUS PROVISIONS

### 10.1. Termination.

(a) This Agreement may be terminated prior to Closing under any one of the following circumstances:

(i) by mutual written consent of Buyer and Seller;

(ii) by written notice of Buyer to Seller if Seller (i) does not satisfy the conditions or performs the obligations to be satisfied or performed by it on the Closing Date, or (ii) otherwise breaches in any material respect any of its representations or warranties or defaults in any material respect in the performance of any of its covenants or agreements herein contained and such breach or default is not cured within the Cure Period (as defined below);

(iii) by written notice of Seller to Buyer if Buyer (i) does not satisfy the conditions or perform the obligations to be satisfied or performed by it on the Closing Date, or (ii) otherwise breaches in any material respect any of its representations or warranties or defaults in any material respect in the performance of any of its covenants or agreements herein contained and such breach or default is not cured within the Cure Period;

(iv) by written notice of Buyer to Seller, or of Seller to Buyer, if the Closing does not occur by the date that is twelve (12) months from the date of this Agreement ; or

(v) by either party if the FCC issues an order which has become final that designates the FCC Application for an oral evidentiary hearing or which denies the FCC Application.

(b) The term "Cure Period" as used herein means a period commencing on the date that Buyer or Seller receives from the other party written notice of breach or default hereunder and continuing until the earlier of (i) thirty (30) days thereafter, or (ii) the Closing Date; provided, however, that if the breach or default cannot reasonably be cured within such period but can be cured before the Closing Date, and if diligent efforts to cure promptly commence, then the Cure Period shall continue as long as such diligent efforts to cure continue, but not beyond the Closing Date. Notwithstanding anything to the contrary contained herein, there shall be no Cure Period for Buyer's failure to pay the Purchase Price.

(c) Termination of this Agreement shall not relieve any party of any liability for breach or default under this Agreement prior to the date of termination.

10.2. Buyer Remedy. If Seller refuses to consummate the Closing pursuant to the provisions of this Agreement or otherwise breaches or defaults such that the Closing has not occurred, monetary damages alone will not be adequate to compensate the Buyer for its injury. Buyer shall therefore be entitled to obtain specific performance of the terms of this Agreement in addition to any other remedies that may be available to it. If any action is brought by the Buyer to enforce this Agreement, the Seller shall waive the defense that there is an adequate remedy at law.

10.3. Seller Remedy. Notwithstanding anything contained in this Section 10.2 to the contrary, the disposition of Earnest Money to Seller pursuant to Section 1.5 shall be the sole remedy of Seller for Buyer's refusal to consummate Closing or Buyer's breach or default hereunder this Agreement.

10.4. Expenses. Each party shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement, except that (i) all recordation, transfer and documentary taxes, fees and charges, and any excise, sales or use taxes, applicable to the transfer of the Purchased Assets shall be borne by Buyer and (ii) all FCC filing fees shall be paid equally by Buyer and Seller. If either party files a complaint with any court of competent jurisdiction for damages, specific performance, or any other remedy, the prevailing party shall be entitled to reimbursement by the party for all reasonable expenses incurred thereby, including reasonable attorneys' fees.

10.5. Bulk Sales. Seller and Buyer hereby waive compliance with the provisions of any applicable bulk sales law, and no representations, warranty or covenant contained in this Agreement shall be deemed to have been breached as a result of such non-compliance.

10.6. Further Assurances. After Closing, Seller shall from time to time, without further cost or expense to Buyer (other than the preparation of documents for signature), execute and deliver such other instruments of conveyance and transfer and take such other actions as may reasonably be requested by Buyer in order to more effectively consummate the transactions contemplated hereby to vest in Buyer good title to the Purchased Assets, and Buyer shall from time to time, without further cost

or expense to Seller (other than the preparation of documents for signature), execute and deliver such other instruments and take such other actions as may reasonably be requested by Seller in order to more effectively consummate the transactions contemplated hereby to relieve Seller of any obligations being assumed by Buyer hereunder.

10.7 Collection of Accounts Receivable. At the Closing Seller shall assign to Buyer all Accounts Receivable arising from the operations of the Station for collection on Seller's behalf for a period of ninety (90) days after the Closing Date (the "Collection Period"). Buyer shall use reasonable efforts to collect such Accounts Receivable in the ordinary course of business; provided, that Buyer shall not institute any complaint in any court of competent jurisdiction or otherwise refer any Accounts Receivable to an attorney or agency for collection; and provided further, that in the event that an account debtor registers any dispute with respect to an Account Receivable, or if Buyer reasonably and in good faith determines that it is necessary to institute a lawsuit or other third party action with regard to a particular Account Receivable, Buyer shall assign back to Seller all rights with regard to such Account Receivable, and Seller, as the owner of such Account Receivable, shall be free to take any action it deems appropriate with respect to that Account Receivable; provided, that commissions relating to any collections made by Buyer shall be paid to Seller's former employees in accordance with this Section 5.8. All Account Receivables collected by Buyer during the Collection Period shall be deposited in a bank account designated by Seller within five (5) business days after any deposited funds arising from Account Receivables are available for disbursement by Buyer's bank. On the tenth day of each calendar month during the Collection Period, and within ten (10) days after the expiration of the Collection Period, Buyer shall provide Seller with a list of the monies received for each account receivable for which any money was collected during the preceding calendar month (or, in the case of the last payment, since the last report to Seller). Seller, in turn, will pay commissions relating to such collections directly to its former employees within ten (10) business days of Seller's receipt. In the absence of and except for any dispute by an account debtor with respect to a particular Account Receivable, any payment received by Buyer during the Collection Period from any account debtor which continues to be serviced by Buyer, shall first be applied to reduce the Account Receivable owed to Seller. Buyer shall not compromise, settle or adjust the amount of any assigned Account Receivable without the prior written consent of Seller. After the expiration of the Collection Period, Buyer will furnish Seller with a list of all Accounts Receivable that have not been paid in full, together with all files and documents in its possession concerning such accounts. Thereafter, Buyer shall not have any further obligations to collect Accounts Receivable, except that Buyer shall immediately pay over to Seller any amount subsequently paid to Buyer with respect to any reassigned Account Receivable.

#### SECTION 11: GENERAL PROVISIONS

11.1. Assignment. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. Neither party may assign its rights and obligations under this Agreement without the other party's prior written consent.

11.2. Amendments. No amendment of this Agreement shall be effective unless in a document signed by all parties.

11.3. Governing Law; Waiver of Jury Trial. The construction and performance of this Agreement shall be governed by the laws of the State of Wisconsin without giving effect to the choice of law provisions thereof. BUYER AND SELLER HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING IN ANY WAY TO THIS AGREEMENT, INCLUDING ANY COUNTERCLAIM

MADE IN SUCH ACTION OR PROCEEDING, AND AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE DECIDED SOLELY BY A JUDGE. Buyer and Seller hereby acknowledge that they have each been represented by counsel in the negotiation, execution and delivery of this Agreement and that their lawyers have fully explained the meaning of the Agreement, including in particular the jury-trial waiver.

11.4. Construction. Any question of doubtful interpretation shall not be resolved by any rule providing for interpretation against the party who causes the uncertainty to exist or against the drafter of this Agreement.

11.5. Notices. Any notice, demand or request required or permitted to be given under the provisions of this Agreement shall be in writing and shall be sent by personal delivery, by a nationally recognized overnight courier service (charges prepaid), or by facsimile transmission (with written confirmation of receipt), and shall be addressed as set forth on *Exhibit A* attached hereto (or to such other address as any party may request by written notice).

11.6. Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument. Delivery of executed counterpart signature pages to this Agreement, any Buyer Ancillary Agreement, any Seller Ancillary Agreement or any other document or instrument delivered pursuant to this Agreement by facsimile or other electronic transmission shall be effective as delivery of original counterpart signature pages for all purposes.

11.7. Waivers. No waiver of any right under this Agreement shall be effective unless contained in a writing signed by the party to be charged with the waiver. No waiver in any one instance shall constitute a waiver in any other instance, no matter how similar. No delay in a party's exercise of any right hereunder shall, in and of itself, constitute a waiver. The practices of the parties shall not, in and of themselves, constitute a waiver of any party's right hereunder.

11.8. Entire Agreement. This Agreement embodies the entire agreement and understanding of the parties hereto and supersedes any and all prior agreements, arrangements and understandings relating to the matters provided for herein.

*[Remainder of page intentionally left blank]*

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above.

SELLER:

ACME TELEVISION OF MADISON, LLC  
ACME TELEVISION LICENSES OF MADISON,

By:   
Doug Gealy, CEO & President

BUYER:

BYRNE ACQUISITION GROUP, LLC

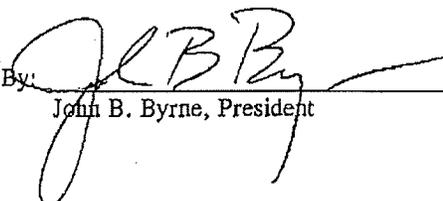
By:   
John B. Byrne, President

EXHIBIT A

NOTICES

If to Seller:

ACME Television of Madison, LLC  
ACME Television Licenses of Madison, LLC  
Suite 258  
11500 Olive Boulevard  
St. Louis, MO 63141  
Facsimile: (314) 989-0616

with copies to:

Dickstein Shapiro LLP  
Attn: Lew Paper  
1825 Eye Street, NW  
Washington, DC 20006  
Facsimile: (202) 420-2201

If to Buyer:

Byrne Acquisition Group, LLC  
Attn: John B. Byrne, President  
454 S. Anderson Road, Suite 130  
Rock Hill, South Carolina 29730  
Facsimile: (803) 328-0862

with a copy to:

Bray & Long, PLLC  
Attn: William Bray, Esq.  
2820 Selwyn Ave., Suite 400  
Charlotte, North Carolina 28209  
Facsimile: (704) 523-7780