

LOCAL MARKETING AGREEMENT

by and between

**MICHAEL E. KEPLER, AS CHAPTER 11 TRUSTEE OF THE
CHAPTER 11 DEBTOR ESTATES OF PURI FAMILY LIMITED
PARTNERSHIP, PURI LLC, AND MEDIA PROPERTIES, INC.**

and

**ACME TELEVISION OF MADISON, LLC
for**

WHPN-TV

JANESVILLE, WISCONSIN

*** * ***

APRIL 1, 2002

LOCAL MARKETING AGREEMENT

THIS LOCAL MARKETING AGREEMENT (the "Agreement"), is made this 1st day of April, 2002, by and between Michael E. Kepler, as Chapter 11 Trustee ("Trustee") of the Chapter 11 debtor estates of Puri Family Limited Partnership, Puri LLC, and Media Properties, Inc. (the "Estates," and collectively, with Trustee, the "Seller"), now operating under the protection of Chapter 11, Title 11 United States Code ("Bankruptcy Code") in Case Nos. 01-34477-11, 01-34478-11, and 01-34476-11, respectively, in the United States Bankruptcy Court for the Western District of Wisconsin ("Bankruptcy Court"), and ACME Television of Madison, LLC ("Programmer").

WHEREAS, as the bankruptcy trustee of the Estates, Trustee is the holder of a construction permit issued by the Federal Communications Commission ("FCC") for television station WHPN-TV, Janesville, Wisconsin (the "Station"); and

WHEREAS, Trustee, the Estates, and ACME Communications, Inc. ("ACME"), the ultimate parent of Programmer, entered into an Asset Purchase Agreement dated as of February 4, 2002 (the "Purchase Agreement"), pursuant to which Trustee agreed to sell to ACME, and ACME agreed to purchase from Seller, certain assets used or useful in the operation of the Station in accordance with the terms of the Purchase Agreement; and

WHEREAS, ACME has assigned to Programmer and another subsidiary ACME's rights and obligations under the Purchase Agreement, including but not limited to those with respect to the execution and implementation of the Local Marketing Agreement referenced in Section 12.15 of the Purchase Agreement; and

WHEREAS, in connection with the transactions contemplated by the Purchase Agreement, Trustee and Programmer desire to enter into this Local Marketing Agreement, pursuant to which Programmer shall provide certain services and programming for broadcast on the Station in accordance with the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the above recitals and the mutual promises and covenants contained herein, the parties, intending to be legally bound, hereby agree as follows:

Section 1. Nature and Scope of Services.

1.1. Scope. On the Effective Date, as defined herein, Trustee shall make the Station's facilities and certain of the Station's employees available to Programmer for Station operations, including but not limited to the broadcast of programming (including advertising) for broadcast on the Station 166 hours per week: provided, that (a) notwithstanding anything to the contrary in this Agreement, Trustee shall be entitled to broadcast programming which it deems necessary to serve the needs and interests of the Station's service area in accordance with FCC rules and policies for a period of up to two (2) hours per week, and (b) Programmer shall be required to broadcast programming in accordance with any programming contract with the Trustee or the Estates that is in effect

on the Effective Date: and, provided further, that Trustee shall not enter into any new contract for the broadcast of programming over the Station after the Effective Date without the prior written consent of Programmer.

1.2. Representations and Warranties.

a. By Trustee. Trustee represents and warrants to Programmer that (i) Trustee has obtained all necessary approvals from the Bankruptcy Court to execute and deliver this Agreement and the documents contemplated hereby and to perform and comply with all of the terms, covenants, and conditions to be performed and complied with by Trustee hereunder, (ii) the execution, delivery, and performance by Trustee of this Agreement and the documents contemplated hereby have been duly authorized by all necessary actions on the part of Trustee, (iii) this Agreement has been duly executed and delivered by Trustee and constitutes the legal, valid, and binding obligation of Trustee, except to the extent that enforceability may be affected by judicial discretion in the enforcement of equitable remedies, and (iv) the execution, delivery, and performance by Trustee of this Agreement and the documents contemplated hereby (with or without the giving of notice, the lapse of time, or both): (1) do not require the consent of any third party, (2) will not conflict with any provision of the documents relating to Trustee's powers or appointment as trustee; and (3) will not conflict with, constitute grounds for termination of, result in a breach of, or constitute a default under, any judgment, order, statute, or regulation adopted or enforced by any court or other governmental authority or any material agreement, instrument, license, or permit to which Trustee is a party or by which Trustee may be bound.

b. By Programmer. Programmer represents and warrants to Trustee that (i) it has all requisite corporate power and authority to execute and deliver this Agreement and the documents contemplated hereby and to perform and comply with all of the terms, covenants, and conditions to be performed and complied with by Programmer hereunder, (ii) the execution, delivery, and performance by Programmer of this Agreement and the documents contemplated hereby have been duly authorized by all necessary actions on the part of Programmer, (iii) this Agreement has been duly executed and delivered by Programmer and constitutes the legal, valid, and binding obligation of Programmer, enforceable against Programmer in accordance with its terms, except as the enforceability of this Agreement may be affected by bankruptcy, insolvency, or similar laws affecting creditors' rights generally and by judicial discretion in the enforcement of equitable remedies, and (iv) the execution, delivery, and performance by Programmer of this Agreement and the documents contemplated hereby (with or without the giving of notice, the lapse of time, or both): (1) do not require the consent of any third party, (2) will not conflict with any provision of the organizational documents of Programmer; and (3) will not conflict with, constitute grounds for termination of, result in a breach of, or constitute a default under, any judgment, order, statute or regulation adopted or enforced by any court or governmental authority or any material agreement, instrument, license, or permit to which Programmer is a party or by which it may be bound.

1.3. Term. The term of this Agreement (the “Term”) shall commence at 12:01 a.m. on April 1, 2002 (the “Effective Date”) and shall continue in force until the earlier of (i) the closing of the transaction contemplated in the Purchase Agreement, (ii) the closing of the sale of the Station Assets to a party other than Programmer, or (iii) for one (1) year from such date unless otherwise terminated as set forth below. Subject to the termination provisions in Section 5.1 herein, Programmer shall have the right to renew the Term for nine (9) successive one-year terms by providing Trustee notice of such renewal at least thirty (30) days prior to the expiration of the Term or any renewal term then in effect.

1.4. Trustee’s Rights and Responsibilities. Trustee shall (a) have exclusive control over the management and operations of the Station during the Term (including any renewal term), (b) except as otherwise set forth herein, be entitled to retain any and all revenue generated from the sale of advertising time in conjunction with programming broadcast on the Station, (c) have exclusive responsibility for the Station’s compliance with all applicable provisions of the Communications Act of 1934, as amended, (the “Act”), the rules, regulations and policies of the FCC, and all other applicable laws and regulations, (d) be solely responsible for payment of, and shall timely pay, all operating costs of the Station (except those for which a good faith dispute has been raised with the vendor or taxing authority), including but not limited to maintenance of the studio and transmitting facility and costs of electricity and the salaries, taxes, insurance and all other costs and expenses for those Station employees who shall be employed by Trustee, as provided in clause (c) of this Section 1.4, and (e) employ (i) a general manager who will direct the day-to-day operations of the Station, (ii) at least one non-management level employee, as required by the FCC, and (iii) such other personnel as Trustee may deem appropriate or necessary for the execution of Trustee’s responsibilities under this Agreement or applicable law. Whenever on the Station’s premises, all personnel, including Programmer’s employees and agents, shall be subject to the overall supervision of Trustee’s general manager.

1.5. Programmer’s Rights and Responsibilities. Programmer shall, except as otherwise provided by this Agreement, provide programming to be broadcast on the Station up to a maximum of 166 hours a week, and have full access to all Station facilities and employees to fulfill its responsibilities.

1.6. Sharing of Operating Loss.

a. Division of Operating Loss. For any month (or portion thereof if the Agreement is commenced or terminated on a day other than the first day of the month) during the Term or any renewal thereof in which the Station operates at a loss (the “Operating Loss”), Programmer shall reimburse Trustee 50% of such monthly Operating Loss”. Operating Loss shall be calculated by subtracting from the Gross Revenues collected during that month or portion thereof all of the reasonable and necessary expenses (the “Station Expenses”) incurred by Trustee in the ordinary course of business (consistent with the Station’s prior practices) in the operation of the Station, including those identified in Attachment I. “Gross Revenue” means and includes any and all monies received by the Station, less

agency commissions, for the placement of advertising on the Station. Station Expenses shall not include any expense incurred by Programmer in performing its duties under this Agreement and fees and expenses paid to the Trustee for his services.

b. Calculation of Operating Loss. On the tenth (10th) day of each month, Trustee shall provide Programmer with a statement of the Station's Operating Loss for the preceding month (or portion thereof), detailing (i) the Station's Gross Revenues and (ii) the Station Expenses. To the extent there is any dispute over the Operating Loss, the parties shall engage in good faith discussions to resolve such dispute. If such dispute cannot be resolved within fifteen (15) days after any reimbursement payment for that month is due to be paid, the parties shall refer the matter to a mutually agreeable third party (such as a certified public accountant or a qualified appraiser of broadcast properties) whose decision shall be final and binding. The fees and expenses of such third party shall be divided equally by the parties. A dispute over any particular item or items of the Operating Loss shall not relieve Programmer of its obligation to make a timely payment to Trustee of those portions of the Operating Loss which are not in dispute.

c. Payment of Operating Loss. On the twentieth (20th) day after each month (or portion thereof) during the Term or any renewal thereof, Programmer shall make a payment to Trustee to cover Programmer's share of any Operating Loss for the preceding month (or portion thereof if the Agreement is commenced or terminated on a day other than the first day of the month).

1.7. Programming Fee. In exchange for its services, Programmer shall receive a monthly fee (the "Programming Fee") equal to 50% of its out-of-pocket expenses reasonably incurred by Programmer to fulfill its responsibilities under this Agreement or, if there is no Operating Loss for a particular month (or portion thereof if the Agreement is commenced or terminated a day other than the first day of the month), 50% of the Profit of the Station for that month or portion thereof. The Programming Fee shall not include corporate overhead of Programmer, including the salaries of its employees: provided, that, notwithstanding the foregoing, Programmer may hire employees to work exclusively at the Station, and the salaries and other expenses of those latter employees can be added to the Programmer Expenses that constitute the Programming Fee. The Programming Fee for a particular month (or portion thereof) shall be due only in the event the station incurs an Operating Loss for such period and shall be paid in the form of a credit against, and shall not exceed, Programmer's share of the Operating Loss for such period. For purposes of this Agreement, a "Profit" is Gross Revenues, as defined herein, less the Station's expenses before consideration of the Programming Fee that would be provided for those months, or portions thereof, where the Station incurs an Operating Loss. In the event the Operating Loss is less than the amount for which Programmer would receive credit, the Programmer will receive a credit to be applied in the following month.

Section 2. Station Programming Policies.

2.1. Trustee Authority. Notwithstanding any other provision of this Agreement, Trustee shall retain ultimate responsibility to broadcast programming to meet the needs and interests of viewers in the Station's service area. Trustee therefore retains the right to broadcast specific programming on issues of importance to the service area. Trustee shall also retain the right to interrupt Programmer's programming in case of an emergency or for programming which, in the good faith judgment of Trustee, is of greater local, regional or national public importance. Trustee shall coordinate with Programmer the Station's hourly Station identification and any other announcements required to be aired by FCC rules. Trustee shall continue to maintain a main studio, as that term is defined by the FCC, in compliance with the FCC's applicable regulations, shall maintain the Station's local public inspection file in accordance with FCC rules, regulations and policies, and shall prepare and place in such inspection file or files in a timely manner all material required by the FCC's rules, including without limitation the Station's quarterly issues and program lists and Children's Television Programming Reports. Programmer shall, upon request by Trustee, provide Trustee with such information concerning Programmer's programs and advertising as is necessary to assist Trustee in the preparation of such material. Trustee shall also maintain the Station's logs, receive and respond to telephone inquiries, and control and oversee any remote control point which may be established for the Station.

2.2. Compliance with FCC Rules and Policies. Programmer shall comply in all material respects with all published rules and policies of the FCC. All programs provided by Programmer for broadcast over the Station shall be prepared and presented in conformity with the rules and policies of the FCC. All advertising spots and promotional material or announcements shall comply with applicable federal, state and local regulations and policies and shall be produced in accordance with quality standards established by Programmer. If Trustee determines, in the exercise of Trustee's sole discretion, that any broadcast material supplied by Programmer is for any reason unsatisfactory, unsuitable or contrary to the public interest, Trustee may, upon prior written notice to Programmer (to the extent time permits such notice), suspend or cancel the broadcast of such material without incurring liability to Programmer. Trustee will use reasonable efforts to provide such written notice to Programmer prior to the suspension or cancellation of such material. Programmer shall use reasonable efforts to notify Trustee 24 hours in advance of material changes in the programming provided by Programmer for broadcast on the Station.

2.3. Public Service Programming. Programmer shall cooperate as reasonably directed by Trustee to help Trustee ensure the broadcast of programming responsive to the needs and interests of the Station's service area in compliance with applicable FCC requirements. Programmer shall also provide Trustee upon reasonable request such other information necessary to enable Trustee to prepare records and reports required by the FCC or other local, state or federal government entities.

2.4. Programmer Compliance with Copyright Act. Programmer represents and warrants to Trustee that Programmer has full authority to broadcast its programming on the

Station and that Programmer shall not broadcast any material in violation of the Copyright Act or the rights of any third party or parties. The right to use programming supplied by Programmer and to authorize its use in any manner shall be and remain vested in Programmer.

2.5. Existing Programming Agreements. Programmer shall maintain in place all existing programming agreements until the expiration of their respective terms.

2.6. Payola. Neither Programmer nor its employees will accept any consideration, compensation, gift or gratuity of any kind whatsoever, regardless of its value or form, including, but not limited to, a commission, discount, bonus, material, supplies or other merchandise, services or labor (collectively "Consideration"), whether or not pursuant to written contracts between Programmer and merchants or advertisers, unless the payer is identified in the program for which Consideration was provided as having paid for or furnished such Consideration, in accordance with the Act and FCC rules and policies. Programmer shall annually, or more frequently at the request of the Trustee, execute and provide Trustee with a Payola Affidavit from each of its employees involved with the Station substantially in the form attached hereto as Attachment II.

2.7. Children's Television Programming and Advertising. Programmer (a) shall, subject to Trustee's ultimate responsibility and supervision, arrange for the broadcast of programming on the Station necessary to comply with the FCC children's programming requirements (b) will not broadcast advertising within programs originally designed for children in excess of the amounts permitted under applicable FCC rules and (c) will take all steps necessary to pre-screen children's programming broadcast during the hours it is providing such programming to ensure that advertising is not being broadcast in excess of the applicable FCC rules.

2.8. Control of the Station. Programmer shall not, directly or indirectly, control, supervise, direct, or attempt to control, supervise, or direct, the operations of the Station. Such operations, including complete control and supervision of all of the programs, employees, and policies of the Station, shall be the sole responsibility of Trustee until the expiration or earlier termination of this Agreement. To ensure that Trustee shall have the unfettered ability to control and supervise all programs, employees and policies of the Station, Trustee shall be permitted unrestricted access to and the right to use at all times the Station's transmitter and studio facilities. In performing its responsibilities hereunder, Trustee shall use all commercially reasonable efforts to avoid interfering with Programmer's operations.

Section 3. Indemnification.

3.1. Programmer's Indemnification. Programmer shall indemnify and hold Trustee harmless from and against any and all claims, losses, costs, liabilities, damages, forfeitures and expenses (including reasonable legal fees and other expenses incidental thereto) of every kind, nature and description (collectively, "Damages") resulting from (a) Programmer's breach of any representation, warranty, covenant or agreement contained

in this Agreement, (b) Programmer's negligence or willful misconduct or the negligence or willful misconduct of its employees or agents, (c) Damages relating to violations of the Copyright Act, the Act or any rule, regulation or policy of the FCC, (d) forfeitures imposed by the FCC, or (e) adjudicated or alleged instances of slander, defamation or other third-party claims relating to programming provided by Programmer and Programmer's broadcast and sale of advertising time on the Station.

3.2. Trustee's Indemnification. Trustee shall indemnify and hold Programmer harmless from and against any and all Damages resulting from (a) Trustee's breach of any representation, warranty, covenant or agreement contained in this Agreement, (b) Trustee's negligence or willful misconduct or the negligence or willful misconduct of its employees or agents, (c) Damages relating to violations of the Copyright Act, the Act or any rule, regulation or policy of the FCC, (d) forfeitures imposed by the FCC, or (e) adjudicated or alleged instances of slander, defamation or other third-party claims relating to programming provided by Trustee and Trustee's broadcast and sale of advertising time on the Station.

3.3. Limitation. Neither Trustee nor Programmer shall be entitled to indemnification pursuant to this section unless such claim for indemnification is asserted in writing delivered to the other party within the time frame set forth in Section 3.6. The maximum liability of either party for such indemnification under this Agreement and under the Asset Purchase Agreement, in the aggregate, shall be \$750,000.

3.4. Procedure for Indemnification. The procedure for indemnification shall be as follows:

a. The party claiming indemnification (the "Claimant") shall promptly give written notice to the party from which indemnification is claimed (the "Indemnifying Party") of any claim, whether between the parties or brought by a third party, specifying in reasonable detail the factual basis for the claim. If the claim relates to an action, suit, or proceeding filed by a third party against Claimant, such notice shall be given by Claimant no later than ten (10) business days after written notice of such action, suit, or proceeding was given to Claimant: provided, that the failure to give timely notice shall extinguish the Claimant's right to indemnification only to the extent that such failure materially adversely affects the Indemnifying Party's rights.

b. With respect to claims solely between the parties, following receipt of notice from the Claimant of a claim, the Indemnifying Party shall have thirty (30) days to make such investigation of the claim as the Indemnifying Party deems necessary or desirable. For the purposes of such investigation, the Claimant agrees to make available to the Indemnifying Party or its authorized representatives the information relied upon by the Claimant to substantiate the claim. If the Claimant and the Indemnifying Party agree in writing at or prior to the expiration of the 30-day period (or any mutually agreed upon extension thereof) to the validity and amount of such claim, the Indemnifying Party shall immediately pay to the Claimant the full amount of the claim or such amount as agreed to by the parties. If the Claimant and the Indemnifying Party do not agree within the 30-day

period (or any mutually agreed upon extension thereof), the Claimant may seek any remedy available to it at law or equity.

c. With respect to any claim by a third party as to which the Claimant is entitled to indemnification under this Agreement, the Indemnifying Party shall have the right, at its own expense, to assume control of the defense of such claim, and the Claimant shall cooperate fully with the Indemnifying Party, subject to reimbursement for actual out-of-pocket expenses incurred by the Claimant as the result of a request by the Indemnifying Party. If the Indemnifying Party elects to assume control of the defense of any third-party claim, the Claimant shall have the right to participate in the defense of such claim at its own expense. If the Indemnifying Party does not assume control, it shall be bound by the results obtained by the Claimant with respect to such claim: provided, that the Claimant shall not settle any third party claim without first giving the Indemnifying Party ten (10) business days' prior notice of the terms of such settlement.

d. If a claim, whether between the parties or by a third party, requires immediate action, the parties will make every commercially reasonable effort to reach a decision with respect thereto as expeditiously as possible.

e. The indemnification rights provided herein shall extend to the partners, members, shareholders, directors, officers, employees, representatives and successors and permitted assigns of any Claimant. For the purpose of the procedures set forth in this Section 3.4, any indemnification claims by such parties shall be made by and through the Claimant.

3.5. Challenge to Agreement. Subject to the terms of Section 6.8, if this Agreement is challenged by or before the FCC, whether or not in connection with the assignment application filed by the parties or the Station's license renewal application, the Trustee and Programmer shall jointly defend this Agreement and the parties' performance hereunder throughout all FCC proceedings. Each party shall bear any and all expenses incurred by it for such defense, including counsel fees. If the parties cannot reform this Agreement as necessary to satisfy any adverse FCC decision, the parties shall seek reversal of the FCC's decision.

3.6. Survival Period. The representations and warranties of the parties under this Agreement shall survive for a period of nine (9) months after termination of this Agreement in accordance with its terms. Any claim for indemnification under this section must be made on or before expiration of that period.

Section 4. Access to Programmer Materials and Correspondence.

4.1. Confidential Review Trustee shall be entitled to review at its discretion from time to time on a confidential basis any of Programmer's programming material that Trustee may reasonably request. Programmer shall promptly provide Trustee with copies of all correspondence and complaints received from the public (including any telephone logs of complaints called in) and copies of all program logs and promotional materials. Nothing

in this section shall entitle Trustee to review the internal corporate or financial records of the Programmer.

4.2. Political Advertising. Programmer shall assist Trustee in complying with all rules of the FCC regarding political broadcasting. Trustee shall promptly supply to Programmer, and Programmer shall promptly supply to Trustee, such information, including all inquiries concerning the broadcast of political advertising, as may be necessary to comply with FCC rules and policies, including the lowest unit rate, equal opportunities, reasonable access, political file and related requirements of applicable law. Trustee, in consultation with Programmer, shall develop a statement which discloses its political broadcasting rates and policies to political candidates, and Programmer shall follow those rates and policies in the sale of political programming and advertising. In the event that Programmer fails to conform its practices with Trustee's policies under the political broadcasting requirements under the Act and the rules of the FCC, then, to the extent reasonably necessary to assure compliance with such requirements and rules, Programmer shall either provide rebates to political advertisers or release broadcast time and/or advertising availabilities to Trustee at no cost to Trustee for use by the affected political candidates.

Section 5. Termination And Remedies Upon Default

5.1. Termination.

a. This Agreement may be terminated by Trustee or Programmer by written notice to the other, if the party seeking to terminate is not then in material breach hereof, upon the occurrence of any of the following:

(i) subject to the provisions of Section 6.8, this Agreement is declared invalid or illegal in whole or material part by an order or decree of an administrative agency or court of competent jurisdiction, and such order or decree has become final and no longer subject to further administrative or judicial reconsideration or review;

(ii) By Trustee, if Programmer has committed a material breach or a series of material breaches of FCC rules or policy which, in Trustee's reasonable business judgment, would be expected to (y) cause revocation or nonrenewal of the Station's construction permit or license, if any, or (z) if Programmer is in material breach of its obligations under this Agreement and has failed to cure such breach within thirty (30) days of notice from Trustee;

(iii) By Programmer, if Trustee is in material breach of its obligations under this Agreement and has failed to cure such breach within thirty (30) days of notice from Programmer;

(iv) the mutual consent of both parties;

(v) a material change in FCC rules, policies or precedent that would cause this Agreement to be in violation thereof, and (1) such change has become final and is no longer subject to further administrative or judicial reconsideration or review and (2) this Agreement cannot be reformed, in a manner reasonably acceptable to Programmer and Trustee, to remove the violation;

(vi) upon the assignment of the Station's FCC construction permit or license to Programmer (or its permitted assignee) or to a third party; or

(vii) upon termination of the Purchase Agreement.

b. During any period prior to the effective date of any termination of this Agreement, Programmer and Trustee shall cooperate in good faith to ensure that Station's operations will continue, to the extent feasible, in accordance with the terms of this Agreement and in a manner that will minimize, to the extent feasible, the resulting disruption of the Station's ongoing operations.

5.2. Force Majeure. Any failure or impairment of the Station's facilities or any delay or interruption in the broadcast of programs, or failure at any time to furnish facilities, in whole or in part, for broadcast, due to Acts of God, strikes, lockouts, material or labor restrictions by any governmental authority, civil riot, floods and any other cause not reasonably within the control of Trustee or Programmer, or for power reductions necessitated for maintenance of the Station or for maintenance of other radio or television broadcast stations located on the tower from which the Station is broadcasting (individually and collectively a "Force Majeure"), shall not constitute a breach by either party of this Agreement; provided, that a Force Majeure shall not excuse Trustee's obligation to pay the Programmer's Fee to Programmer or Programmer's obligation to reimburse Trustee for its share of the Station's Operating Loss.

5.3. Other Agreements. During the term of this Agreement, neither Trustee nor Programmer will enter into any other agreement with any third party that would conflict with or result in breach of this Agreement by Trustee or Programmer.

Section 6. Miscellaneous.

6.1. Assignment.

a. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

b. Neither this Agreement nor any of the rights, interests or obligations of either party hereunder shall be assigned, encumbered, hypothecated or otherwise transferred without the prior written consent of the other party: provided, that Programmer may assign its rights and obligations under this Agreement at any time to any subsidiary of Programmer or to any other party under common control with Programmer; provided further, that Programmer may assign its rights and obligations under this Agreement in conjunction with

Programmer's assignment of its rights and obligations under the Purchase Agreement with respect to the Station in accordance with the provisions thereof; and, provided further, that Trustee shall use commercially reasonable efforts to cooperate with Programmer to effectuate any assignment permitted under this subsection.

6.2. Call Letters. Upon request of Programmer, subject to the consent of the Trustee (which shall not be unreasonably withheld), Trustee shall apply to the FCC for authority to change the call letters of the Station (with the consent of the FCC) to such call letters that Programmer shall reasonably designate. Trustee shall coordinate with Programmer any proposed changes to the call letters of the Station before taking any action to change such letters.

6.3. Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument.

6.4. Entire Agreement. This Agreement (including the Attachments hereto and the other agreements referenced herein) embody the entire agreement and understanding of the parties relating to the subject matter hereof and thereof, and supersede any and all prior and contemporaneous agreements and understandings of the parties. No amendment, waiver of compliance with any provision or condition hereof, or consent pursuant to this Agreement will be effective unless evidenced by an instrument in writing signed by both of the parties.

6.5. Headings. The headings of this Agreement are for convenience only and will not control or affect the meaning or construction of the provisions of this Agreement.

6.6. Governing Law. The obligations of Trustee and Programmer are subject to applicable federal, state and local law, rules and regulations, including, but not limited to, the Act and the rules and policies of the FCC. The construction and performance of this Agreement will be governed by the laws of the State of Wisconsin without regard to conflict of law principles.

6.7. Notices. All notices, demands and requests required or permitted to be given under the provisions of this Agreement shall be (a) in writing, (b) delivered by personal delivery or sent by commercial overnight delivery service (charges prepaid), (c) deemed to have been given on the date of personal delivery or the date set forth in the records of the delivery service or on the return receipt, and (d) addressed as follows (or to any different address designated in writing by any party to the other):

To Programmer: ACME Television of Madison, LLC
Suite 202
2101 East 4th Street
Santa Ana, CA 92705
Attention: Tom Allen

and

ACME Television of Madison, LLC
10829 Olive Boulevard
St. Louis, MO
Attention: Doug Gealy

With copy to: Lewis J. Paper, Esq.
Dickstein Shapiro Morin & Oshinsky LLP
2101 L Street, NW
Washington, D.C. 20037

To Trustee: Michael E. Kepler
Kepler & Peyton
634 West Main Street, Suite 202
Madison, WI 53703

With copy to: Murphy & Desmond, S.C.
2 East Mifflin Street, Suite 800
Madison, WI 53701-2038
Attention: Robert A. Pasch. Esq.

6.8. Severability. If any provision of this Agreement shall be determined by any court or governmental authority of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of this Agreement shall not be affected thereby and shall be enforced to the greatest extent permitted by law, unless the provision deemed invalid or unenforceable is central to the purpose of this Agreement. In the event that the FCC raises a substantial and material question as to the validity of any provision of this Agreement, the parties hereto shall negotiate in good faith to revise any such provision of this Agreement with a view toward assuring compliance with all then existing FCC rules and policies which may be applicable, while attempting to preserve, as closely as possible, the intent of the parties as embodied in the provision of this Agreement which is to be so modified.

6.9. No Joint Venture. Nothing in this Agreement shall be deemed to create a joint venture between the Trustee and the Programmer.

6.10. Remedies. Subject to applicable law, including the rules and policies of the FCC, in the event that any party breaches or threatens to breach any provision of this Agreement, either party shall be entitled to seek any remedy available at law or equity,

including, if appropriate, specific performance. Notwithstanding anything to the contrary in this Agreement, the remedy of specific performance will be available to Programmer and Trustee for any breach or threatened breach by the other party or parties of its or their obligations under Section 2.1 and the provision in Section 1.1 of this Agreement. If any party does seek specific performance for an actual or threatened breach of such obligations, the other party shall waive the defense that the moving party does have an adequate remedy at law. If any party institutes litigation to enforce its rights under this Agreement, the prevailing party shall be reimbursed by the other party for all reasonable expenses incurred thereby, including reasonable attorney's fees.

6.11. Jurisdiction. The Bankruptcy Court (or if the Bankruptcy Court declines jurisdiction, such other federal or state court as is located in Madison, Wisconsin) shall have jurisdiction over the parties with respect to any dispute or controversy between them arising under or in connection with this Agreement. By execution and delivery of this Agreement, each of the parties to this Agreement submits to the jurisdiction of those courts, including, but not limited to, the *in personam* jurisdiction of those courts, waives any objection to such jurisdiction on the grounds of venue or *forum non conveniens*, the absence of *in personam* jurisdiction and any similar grounds, and consents to service of process by any manner permitted by law, including by mail, overnight courier (charges prepaid), or by personal delivery. A party using the mail as a means of service of process shall also endeavor to provide duplicate service using overnight courier. These consents to jurisdiction shall not be deemed to confer rights on any person other than the parties to this Agreement.

6.11. Certifications.

(a) Trustee hereby certifies that he maintains ultimate control over the Station's facilities, including specifically control over Station finances, personnel and programming.

(b) Programmer hereby certifies that this Agreement complies with the provisions of paragraphs (b) through (d) of Section 73.3555 of the FCC rules.

[Remainder of the Page Intentionally Left Blank]

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

MICHAEL E. KEPLER, TRUSTEE

By: _____
Name: Michael E. Kepler
Title: Trustee

ACME TELEVISION OF MADISON, LLC

By: _____
Name: Tom Allen
Title: Executive Vice President

ATTACHMENT I
STATION EXPENSES & OPERATIONS

Trustee shall be responsible for payment of the following reasonable and necessary Station expenses incurred in the ordinary course of business consistent with the Station's past practices:

- (1) Tower lease rent and utility payments
- (2) property insurance and taxes
- (3) fees payable to governmental authorities
- (4) administrative expenses
- (5) equipment replacement, maintenance and repair
- (6) microwave relay and fiber lease expenses
- (7) salaries, taxes, insurance, and benefits for Trustee's employees
(including master control operators)
- (8) all other expenses reasonably incurred by Trustee in the normal course
of the operation of the Station

ATTACHMENT II

FORM OF PAYOLA AFFIDAVIT

City of _____)
County of _____) SS:
State of _____)

ANTI-PAYOLA/PLUGOLA AFFIDAVIT

_____, being first duly sworn, deposes and says as follows:

1. He is _____ for _____.
Position
2. He has acted in the above capacity since _____.
3. No matter has been broadcast by WHPN-TV for which service, money or other valuable consideration has been directly or indirectly paid, or promised to, or charged, or accepted, by him from any person, which matter at the time so broadcast has not been announced or otherwise indicated as paid for or furnished by such person.
4. So far as he is aware, no matter has been broadcast by WHPN-TV for which service, money, or other valuable consideration has been directly or indirectly paid, or promised to, or charged, or accepted by WHPN-TV or by any independent contractor engaged by WHPN-TV in furnishing programs, from any person, which matter at the time so broadcast has not been announced or otherwise indicated as paid for or furnished by such person.
5. In the future, he will not pay, promise to pay, request, or receive any service, money, or any other consideration, direct or indirect, from a third party, in exchange for the influencing of, or the attempt to influence, the preparation or presentation of broadcast matter on WHPN-TV.
6. Nothing contained herein is intended to, or shall prohibit receipt or acceptance of anything with the expressed knowledge and approval of my employer, but henceforth any such approval must be given in writing by someone expressly authorized to give such approval.

7. He, his spouse and his immediate family do__ / do not __ have any present direct or indirect ownership interest in (other than an investment in a corporation whose stock is publicly held), serve as an officer or director of, whether with or without compensation, or serve as an employee of, any person, firm or corporation engaged in:

- a. The publishing of music;
- b. The production, distribution (including wholesale and retail sales outlets), manufacture or exploitation of music, films, tapes, recordings or electrical transcriptions of any program material intended for broadcast use;
- c. The exploitation, promotion, or management or persons rendering artistic, production and/or other services in the entertainment field;
- d. The ownership or operation of one or more radio or television stations;
- e. The wholesale or retail sale of records intended for public purchase; or
- f. Advertising on WHPN-TV, or any other station owned by its Trustee (excluding nominal stockholdings in publicly owned companies).

8. The facts and circumstances relating to such interest are none __ / as follows __ :

Affiant

Subscribed and sworn to before me
This ____ day of _____, 19 ____.

Notary Public

My Commission expires: _____.