

## AGREEMENT

THIS AGREEMENT is made this 14th day of July, 2000 by and between Pelican Broadcasting Company, Inc. ("PBC"), Vista Communications, Inc. ("Vista"), and ACME Communications, Inc. ("ACME").

WHEREAS, PBC filed an application ("PBC's Application") with the Federal Communications Commission (the "FCC") for a construction permit (the "CP") to build a new television broadcast station to operate on Channel 61 in Bay City, Michigan, FCC File No. BPCT-19960723LC; and

WHEREAS, Vista Communications, Inc. ("Vista") previously filed a mutually exclusive application ("Vista's Application") with the FCC for the CP, FCC File No. BPCT-19960710K2; and

WHEREAS, PBC and Vista contemplate the execution this same day of a settlement agreement (the "Settlement Agreement") that would result in the grant of Vista's Application, the dismissal of PBC's Application, and issuance of the CP to Vista in exchange for PBC having an option to acquire a fifty percent (50%) ownership interest in Vista, all as reflected in a separate option agreement (the "Option Agreement") executed by PBC and Vista; and

WHEREAS, ACME is desirous of acquiring the CP after it has been acquired by Vista, and Vista is willing to assign the CP to ACME, all in accordance with the terms and conditions of this agreement; and

WHEREAS, ACME's acquisition of the CP is conditioned on ACME's simultaneous acquisition of PBC's rights and obligations under the Option Agreement;

NOW, THEREFORE, in view of the foregoing and the mutual promises and covenants contained herein, the parties hereby agree as follows:

1. Upon execution of this Agreement, Vista will simultaneously execute the Settlement Agreement with PBC to provide (a) that PBC and Vista will file a rulemaking petition (the "Rulemaking Petition") with the FCC to allow the amendment of Vista's Application to specify Channel 46 instead of Channel 61 for analog operations at a tower site for which Vista has reasonable assurance (as defined by FCC rules and decisions), (b) that the FCC be requested to grant Vista's Application as amended and to thereby authorize the issuance of a CP to Vista for operation of an analog broadcast television station on Channel 46 in Bay City, Michigan, (c) that PBC be given an option to acquire fifty percent (50%) of the ownership interest in Vista in exchange for payment of One Hundred Dollars (\$100), (d) that PBC's Application be dismissed with prejudice, and (e) that the FCC otherwise approve the Settlement Agreement in all respects.

2. Subject to (a) the FCC's approval of the Settlement Agreement and the other actions described on paragraph 1 of this Agreement, (b) ACME's payment of One Million Five Hundred Thousand Dollars (\$1,500,000) in immediately-available funds (the "Option Payment") to PBC for acquisition of PBC's rights and obligations under the Option Agreement (which payment shall be made simultaneously at the Closing for ACME's acquisition of the CP), and (c) the FCC's approval of the other actions described in this paragraph, Vista will assign the CP to ACME in exchange for payment of One Million Five Hundred Thousand Dollars (\$1,500,000) (the "Purchase Price") in immediately-available funds.

3. Within ten (10) days after FCC approval of the Settlement Agreement and the other actions described in paragraph 1 above becomes "Final" (meaning that such approval is no longer subject to reconsideration or review by the FCC or a court of competent jurisdiction), Vista and ACME will file any and all appropriate applications with the FCC to effect the assignment of the CP to ACME.

4. The consummation of this Agreement (the "Closing") shall take place at the offices of Dickstein Shapiro Morin & Oshinsky LLP, 2101 L Street, N.W., Washington, D.C. 20037, or such other place mutually agreed to by the parties, at a date selected by ACME within ten (10) days after FCC approval of the application set forth in paragraph 3 above becomes Final: provided, that ACME may, in the exercise of its unilateral discretion, require that the Closing occur at any date at least ten (10) days after public notice of initial FCC approval of the application set forth in paragraph 3 above and, if ACME does exercise that discretion, the parties will, if FCC approval has not yet become Final, execute an appropriate rescission agreement to cover the contingency of a rescission or modification of the FCC approval. At the Closing, (a) the parties will execute any and all appropriate documents that may be reasonably requested by any party, including but not limited to assignment and assumption agreements with respect to the CP and (b) ACME shall transfer by wire the Purchase Price to Vista and the Option Payment to PBC.

5. The parties will cooperate with each other and use any and all commercially reasonable efforts to consummate the transactions contemplated by this Agreement at the earliest practicable time. To that end, the parties will promptly provide each other with copies of any and all correspondence or other communications to or from the FCC concerning the Settlement Agreement, the FCC applications referenced herein, the Rulemaking Petition and the amendment to Vista's Application, and the application necessary to secure FCC approval of this Agreement. Neither party shall take any action inconsistent with its obligations under this Agreement or the rights of the other parties under this Agreement. Except as otherwise provided herein, each party will be responsible for its own expenses, including but not limited to attorneys' fees with respect to the consummation of this Agreement.

6. Any and all notices or other communications required or authorized by this Agreement shall be sent to the other party by certified mail-return receipt requested (postage prepaid), by overnight courier (charges prepaid), or by hand to the other party and its respective counsel at the addresses specified below (or at any other address which any party may specify in writing to the other party):

If to Vista:

John D. Stebbins, President  
Vista Communications, Inc.  
Box 30  
Lake Forest, Illinois 60045

with a copy to:

Vincent A. Pepper, Esq.  
Pepper & Corrazini  
Suite 200  
1776 K Street, NW  
Washington, DC 20006

If to PBC:

David Maltz, President  
Pelican Broadcasting Company  
4150 17<sup>th</sup> St.  
#23  
San Francisco, CA 94114

with a copy to:

Bruce A. Eisen, Esq.  
Kaye Scholer Fierman Hays & Handler LLP  
Suite 1100  
901 15<sup>th</sup> Street, NW  
Washington, DC 20005

If to ACME:

Doug Gealy, President  
ACME Communications, Inc.  
Suite 202  
10829 Olive Boulevard  
St. Louis, MO 63141

and

Tom Allen  
Executive Vice President  
Acme Communications, Inc.  
Suite 202  
2101 East 4<sup>th</sup> Street  
Santa Ana, CA 92705

with a copy to:

Lewis J. Paper, Esq.  
Dickstein Shapiro Morin & Oshinsky LLP  
2101 L Street, NW  
Washington, DC 20037

7. This Agreement will be governed by the laws of the State of Michigan without regard to conflict of laws provisions.

8. If any party files a lawsuit to enforce its rights under this Agreement, the prevailing party or parties shall be reimbursed by the other party or parties for all reasonable expenses incurred thereby, including reasonable attorneys' fees. The parties acknowledge that the CP constitutes a unique asset, the loss of which cannot be adequately ascertained through monetary damages. Accordingly, in addition to any other rights provided by this Agreement or under law or equity, ACME shall have the right to obtain specific performance of Vista's and PBC's obligations under this Agreement (assuming that ACME is not then in material breach of its obligations under this Agreement). If ACME files a lawsuit seeking specific performance of this Agreement, the other parties shall waive any defense that ACME has an adequate remedy at law.

9. Each of the parties represents, warrants and covenants to the other parties that it is legally qualified and empowered to execute this Agreement and that the execution, delivery, and performance of this Agreement does not and shall not constitute a breach or violation of any articles of incorporation, operating agreement, other organizational document, agreement, contract, court order, FCC decision or rule, or other obligation to which either party is subject or by which it is bound. Vista represents, warrants and covenants to ACME that it has reasonable assurance, as defined by FCC rules and decisions, of the tower to be utilized with the CP and that Vista will cooperate with ACME in securing any lease or acquisition of such tower site. Any and all actions necessary to authorize each party to execute and perform under this Agreement have been taken, and each party may require the other party to provide certified resolutions or other evidence at Closing that such action has in fact been taken.

10. Neither party may assign its rights or obligations under this Agreement without the written consent of the other parties: provided, that ACME may assign its rights and obligations under this Agreement to (a) any entity controlled by or under common control with ACME, or (b) any other party who acquires all or substantially all of ACME's assets (by merger, stock purchase agreement, asset purchase agreement or otherwise) and is otherwise prepared to execute a document agreeing to be bound by the terms of this Agreement. This Agreement shall incur to the benefit of and be binding on the parties' successors and assigns.

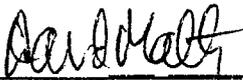
11. This Agreement represents the entire understanding of the parties with respect to the subject matter hereof and supersedes any and all prior or contemporaneous understandings, contracts, and agreements with respect to the same subject matter hereof. This Agreement may not be amended except by in writing signed by the parties.

12. This Agreement may be executed in counterpart and all such counterparts shall collectively be deemed one and the same document. Facsimile signatures shall, for purposes of this Agreement, be recognized and treated as original signatures to make this Agreement binding and effective.

*[The Remainder of This Page Intentionally Left Blank]*

IN WITNESS WHEREOF, the parties have executed this Agreement with the intent of it being effective as of the date first set forth above.

Pelican Broadcasting Company, Inc.

By:   
\_\_\_\_\_  
David Maltz

President

Vista Communications, Inc.

By: John Stebbins  
John Stebbins  
President

ACME Communications, Inc.

By: \_\_\_\_\_  
Douglas Gealy  
President

President

Vista Communications, Inc.

By: \_\_\_\_\_  
John Stebbins  
President

ACME Communications, Inc.

By: \_\_\_\_\_  
~~Douglas Gealy~~ Thomas D. Allen  
President Exec. V.P.