

LOCAL PROGRAMMING AND MARKETING AGREEMENT

This Local Programming and Marketing Agreement (this "Agreement") is made as of _____, 2005, by and between Mountain Wireless Incorporated, a Delaware corporation ("Licensee"), and Clearwater Communications, Inc., a Maine corporation ("Programmer").

Recitals

A. Licensee owns and operates, radio stations WHQO(FM)/ WSKW(AM) licensed to Skowhegan, Maine, and WCTB(FM), Fairfield, Maine (each a "Station" and collectively, the "Stations") licensed by the Federal Communications Commission (the "FCC") to serve their communities of license and the Waterville, Maine area, and desires to sell to Programmer airtime for the broadcast of programs produced by Programmer on the Stations.

B. Licensee and Programmer are parties to a Deferred Asset Purchase Agreement of even date herewith (the "Purchase Agreement") governing the assignment of the licenses and other assets of the Stations from Licensee to Programmer.

C. Programmer has available and is producing radio programs that it desires to have broadcast on Stations and therefore desires to purchase airtime from Licensee for the broadcast of such programs.

D. Licensee has agreed to make available to Programmer airtime on the Stations and accept for broadcast the programs of Programmer on the terms and conditions set forth in this Agreement.

Therefore, in consideration of the foregoing premises, the mutual covenants contained herein and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereby agree as follows:

1. Agreement Term. The term of this Agreement (the "Term") will begin on _____, 2004 and will continue for a period of five years from the date hereof, unless extended or earlier terminated in accordance with the provisions set forth in Section 9 or Section 15 hereof.

2. Programmer's Purchase of Airtime and Provision of Programming. Programmer shall purchase from Licensee airtime on the Stations on the terms specified below, and shall transmit to Licensee programming that it produces or owns (the "Program" or "Programs") for broadcast on the Stations twenty-four (24) hours per day, seven (7) days per week (the "Broadcasting Period"). Programmer will originate its Programs from the Premises or otherwise transmit its Programs to the Stations' transmitting facilities via a mode of transmission (e.g., satellite facilities, microwave facilities and/or telephone lines) that will ensure that the Programs meet technical and quality standards at least equal to those of the Stations' broadcasts prior to commencement of the Term.

3. Broadcasting Obligations. In return for the consideration to be paid by Programmer

hereunder, Licensee shall broadcast the Programs delivered by Programmer during the Broadcasting Period specified in Section 2 above, subject to the provisions of Section 7 below, and to the right of Licensee to reject any Program or Programs which do not meet Licensee's technical standards, as set forth in Section 2 above.

4. Advertising Sales. Programmer will be exclusively responsible for the sale of such advertising on the Stations and for the collection of accounts receivable arising from its sale of advertising for the hours during which it is responsible for programming the Station. At its election, Programmer may sell advertising on the Stations in combination with advertising on other stations owned or operated by Programmer, provided that advertisers will remain able to purchase advertising only on the Stations if they so desire. All contracts for advertising on the Stations which may be entered into by Programmer shall terminate upon the termination of this Agreement.

5. Licensee Compensation For the rights granted hereunder, Programmer will compensate Licensee as follows:

5.1 Programmer will pay directly or, as the case may be, reimburse expenses as set forth in Paragraph 12 and Exhibit 5.1 hereof.

5.2 Upon execution of this Agreement, Programmer shall transfer to Seller _____ of the common stock of Programmer, which stock shall at no time and in no event be diluted in any manner.

5.3 Within one hundred eighty (180) days of execution of this Agreement, Licensee shall file an application with the FCC proposing modification of Station WHQO to upgrade to Class C-3 (the "WHQO Modification"). Programmer agrees to reimburse Licensee for Licensee's reasonable legal and engineering expenses of preparing, filing and prosecuting the WHQO Modification and, at Programmer's sole expense, to implement the WHQO Modification in accordance with the specifications set forth in Exhibit 5.3 hereof 1.4(b) within one year of public notice of the date on which the FCC grants the application.

5.4 Additional Compensation. Programmer agrees to pay additional compensation based on free cash flow from the 3 Skowhegan stations, as determined by accepted accounting standards and under the following schedule :

_____. Such compensation to be credited to the Purchase Price set forth in the Purchase Agreement. If both parties agree, the payment of free cash amounts may be suspended or discontinued, in order to allow Clearwater Communications to pursue other opportunities. In connection with this Section 5.4, during the Term, Programmer shall, within ten (10) days of their preparation, furnish licensee with (1) unaudited monthly statements of cash flows of Programmer; (2) unaudited annual financial statements, including the annual balance sheet and the annual statement of profit and loss of Programmer; and (3) the audited annual financial statements of Programmer. Such statements shall be prepared in accordance with generally accepted accounting principles applied on a consistent basis and shall present fairly in all material respects the financial condition of Programmer's operation of the Stations and the results of such operations for the period

then ended, provided that such statements may not contain footnotes and may lack other presentation items required under generally accepted accounting principles.

6. Delivery of Programs. Licensee shall begin broadcasting the Programs in accordance with Section 3 above no later than _____, 2005.

7. Operation, Ownership and Control of the Station. Notwithstanding anything to the contrary in this Agreement, as long as Licensee remains the licensee of the Stations, it will have full authority, power and control over the operation of the Stations and over all persons working at the Stations during the Term of this Agreement. Licensee will bear the responsibility for the Stations' compliance with all applicable provisions of the rules and policies of the FCC and all other applicable laws. Without limiting the generality of the foregoing, Licensee will (1) employ such managerial and other staff who will report to Licensee and will direct the day-to-day operations of the Stations as is required by the FCC and (2) retain control over the policies, programming and operations of the Stations, including the right to preempt any programming it deems unsuitable or contrary to the public interest. Nothing contained herein shall prevent or hinder Licensee from (a) rejecting or refusing programs which Licensee believes to be contrary to the public interest, or (b) substituting a program (or programs) which Licensee believes to be of greater local or national importance or which is (or are) designed to address the problems, needs and interests of the community of license of each of the Stations. Licensee reserves the right to refuse to broadcast any Program containing matter which is violative of, or which Licensee reasonably believes violates, or which a third party claims to violate, any right of any third party. Licensee also reserves the right to refuse to broadcast any Program that does not meet the requirements of the rules, regulations, and policies of the FCC or the regulations and restrictions set forth in Section 11 or in Schedule A hereto. Licensee further reserves the right to preempt any Program in the event of a local, state, or national emergency. Programmer agrees to cooperate with Licensee to ensure that EAS transmissions are properly performed in accordance with Licensee instructions. Licensee reserves the right to delete any commercial announcements that do not comply with the requirements of the FCC's sponsorship identification policy set forth in 47 C.F.R. Sections 73.1212 and 73.4242, and as this policy may be changed from time to time by the FCC. Programmer will immediately serve Licensee with notice and a copy of any letters of complaint it receives concerning any Program for Licensee review and inclusion in its public inspection file. By executing this Agreement, (a) Programmer certifies that the brokerage of time on the Stations in the manner contemplated by this Agreement will comply with the provisions of Section 73.3555 of the FCC's multiple ownership rules, and (b) Licensee certifies that, in the performance of this Agreement, it will maintain ultimate control over the Stations' facilities, including, specifically, ultimate control over the Stations' finances, personnel, and programming. The parties shall comply with the public file requirements set forth in Section 73.3526(e)(14) of the FCC's rules.

8. Maintenance of Signal. Licensee shall maintain the operating power of the Stations at no less than eighty (80) percent of the maximum level authorized by the FCC for the Stations throughout the Term.

9. Rights to Terminate. This Agreement shall terminate upon closing under the Purchase Agreement. Either party to this Agreement may terminate this Agreement if the FCC's policies or rules change in a manner that would require such termination by providing the other party

with ten (10) days' advance written notice. Licensee or Programmer may terminate this Agreement if the Purchase Agreement is terminated or expires and may extend this Agreement by mutual agreement in writing.

10. Music Licenses. During the Term, Licensee will obtain and maintain in full force and effect in its own name all music licenses ("Music Licenses") as are currently operative with respect to the Stations and as will be required by the licensor of those Music Licenses. All Music Licenses fees that are Licensee's obligation shall be paid by Programmer.

11. Programs.

11.1 Production of the Programs. Licensee acknowledges that it is familiar with the type of programming Programmer currently produces and has determined that the broadcast of such programming on the Stations would serve the public interest. In producing the Programs to be broadcast on the Stations, Programmer will abide by the regulations and restrictions set forth in Schedule 11.1 to this Agreement. Programmer agrees that the contents of the Programs it transmits to Licensee shall conform to all FCC rules, regulations and policies. Programmer agrees that it will consult with Licensee in the selection of the Programs it transmits to Licensee to ensure that the Programs' content contains matters responsive to issues of public concern in the communities of license of the Stations, as those issues are made known to Programmer by Licensee. Licensee acknowledges that its right to broadcast the Programs is non-exclusive and that ownership of the Programs, and all parts thereof, and the right to authorize their use in any manner and in any media whatsoever, shall be and remain vested in Programmer.

11.2 Political Time. Licensee shall oversee and take ultimate responsibility with respect to the provision of equal opportunities, lowest unit charge, and reasonable access to political candidates, and compliance with the political broadcast rules of the FCC. Programmer shall cooperate with Licensee as Licensee complies with its political broadcast responsibilities, and shall supply such information promptly to Licensee as may be necessary to comply with the political time record keeping and lowest unit charge requirements of federal law. To the extent that Licensee believes necessary, in its sole discretion, Programmer shall release advertising availabilities to Licensee during the Broadcasting Period to permit Licensee to comply with the political broadcast rules of the FCC and the provisions of Section 315 of the Communications Act of 1934, as amended; provided, however, that revenues received by Licensee as a result of any such release of advertising time shall promptly be remitted to Programmer.

12. Expenses. During the Term, Programmer will be responsible for (i) the salaries, taxes, insurance and related costs for all personnel used in the production of the Programs supplied to Licensee, and (ii) the costs of delivering the Programs to Licensee. Programmer will use its own production facilities to create the Programs, which may include the facilities to be subleased from Licensee pursuant to Section 15.1. Licensee will be ultimately responsible for the maintenance of all studio and transmitter equipment and all other operating costs required to be paid to maintain Stations' broadcast operations in accordance with FCC rules and policies. Programmer shall reimburse Licensee for certain of the above expenses of Licensee as provided on Schedule 5.1 to this Agreement.

13. Call Signs. Licensee will retain any rights it has to the call letters WHQO(FM), WSKW(AM) and WCTB(FM) for the Stations or any other call letters which may be assigned by the FCC for use by the Stations, and will ensure that proper station identification announcements are made with such call letters in accordance with FCC rules and regulations. Programmer shall include in the Programs it delivers for broadcast an announcement in a form satisfactory to Licensee at the beginning of each hour of such Programs to identify the Stations by call letters used by Licensee for the Stations, as well as any other announcements required by the rules and regulations of the FCC. Programmer is specifically authorized to use the call letters WHQO(FM), WSKW(AM) and WCTB(FM) for the Stations for other call letters used by Licensee for the Stations, in its Programs and in any promotional material, in any media, used in connection with the Programs.

14. Events of Default; Termination.

14.1 Programmer's Events of Default. The occurrence of any of the following will be deemed an Event of Default by Programmer under this Agreement:

- (a) Programmer fails to make timely reimbursement in full to Licensee or timely payment in full to third parties of the Stations expenses or timely implement the WHQO Modification as provided for in Section 5 and Schedule 5.3 of this Agreement;
- (b) Programmer fails to observe or perform any other covenant, condition or obligation contained in this Agreement;
- (c) Breach or violation by Programmer of any representation or warranty made by it under this Agreement; or
- (d)
- (e) Breach or violation by Programmer of any representation or warranty made by Programmer under the Purchase Agreement.

14.2 Licensee Events of Default. The occurrence of the following will be deemed an Event of Default by Licensee under this Agreement:

- (a) Licensee fails to observe or perform any covenant, condition or obligation to be performed by Licensee which is contained in this Agreement;
- (b) Breach or violation by Licensee of any representation or warranty made by it under this Agreement; or
- (c) Breach or violation by Licensee of any representation or warranty made by Licensee under the Purchase Agreement.

14.3 Cure Period. Notwithstanding the foregoing, an Event of Default will not be deemed to have occurred until fifteen (15) days after the non-defaulting party has provided the defaulting party with written notice specifying the Event(s) of Default and such Event(s) of Default remain(s) uncured.

14.4 Termination in the Event of Default. Upon the occurrence of an Event of Default, and in the absence of a timely cure pursuant to Section 14.3, the non-defaulting party may terminate this Agreement, effective immediately upon written notice to the defaulting party.

14.5 Cooperation Upon Termination. If this Agreement shall be terminated, for whatever reason, the parties agree to cooperate with one another and to take all actions necessary to rescind this Agreement and return the parties to the status quo ante, subject to the provisions of Section 16.5.

15. Lease of Studio/Office Space and Equipment.

15.1 Lease; Term. Commencing on the date hereof and continuing until the expiration of the Term, unless earlier terminated in accordance with the terms hereof, Licensee shall:

(a) lease its office space consisting of 2400 square feet and located at Middle Road, Skowhegan (the "Premises"), for Programmer's use in connection with the production of programming and sale of time on the Stations; and

(b) lease all of the studio equipment and furniture now or hereafter contained in the Premises, provided, however, that Licensee shall have continued use and possession of a portion of the Premises, studio equipment, and furniture for maintenance of the Stations' main studio and operation of the Stations as necessary to fulfill its obligations as an FCC licensee.

15.2 Rent. Programmer's rent for the entire Premises is included in the fees set forth in Section 5 above.

15.3 Maintenance of Studio Equipment. During the term of the sublease under Section 15.1, Programmer shall, at its cost, repair and maintain the studio broadcast equipment now or hereafter contained in the Premises.

15.4 Termination of Sublease. The sublease provided for in Section 15.1 shall terminate upon the expiration of the Term or termination of this Agreement.

16. Indemnification. Programmer shall indemnify and hold Licensee harmless against any and all liability for libel, slander, illegal competition or trade practice, infringement of trademarks, trade names, or program titles, violation of rights of privacy, and infringement of copyrights and proprietary rights resulting from the Programs. Further, Programmer warrants that the broadcasting of the Programs will not violate any rights of any third party, and Programmer agrees to indemnify and hold the Stations, and Licensee's officers, directors, agents, stockholders, and employees harmless against any claim, damages, liability, costs and expenses, including counsel fees (at trial and on appeal), arising from the production and/or broadcasting of the Programs. Programmer's obligation to hold Licensee harmless under this Section shall survive any termination of this Agreement;

17. Authority. Programmer and Licensee each represent and warrant the following (i) each have the power and authority to enter into this Agreement and to consummate the transactions

contemplated by this Agreement, (ii) each is a corporation which is in good standing in the state of its incorporation and qualified to do business in the State of Maine, (iii) the signatures appearing for Programmer and Licensee, respectively, at the end of this Agreement have been affixed pursuant to such specific authority as, under applicable law, is required to bind them, and (iv) neither the execution, delivery, nor performance by Licensee or Programmer of this Agreement conflicts with, results in a breach of, or constitutes a default or ground for termination under any agreement to which Licensee or Programmer, respectively, is a party or by which either of them is bound.

18. Modification and Waiver; Remedies Cumulative. No modification of any provision of this Agreement will be effective unless in writing and signed by both parties. No failure or delay on the part of Programmer or Licensee in exercising any right or power under this Agreement will operate as a waiver of such right or power, nor will any single or partial exercise of any such right or power or the exercise of any other right or power. Except as otherwise provided in this Agreement, the rights and remedies provided in this Agreement are cumulative and are not exclusive of any other rights or remedies which a party may otherwise have.

19. Assignability; No Third Party Rights. The rights and obligations of each party under this Agreement may not be assigned without the prior written consent of the other party to such assignment, provided that Licensee's consent to any assignment by Programmer shall not be unreasonably withheld. The covenants, conditions and provisions hereof are and shall be for the exclusive benefit of the parties hereto and their permitted assigns, and nothing herein, express or implied, is intended or shall be construed to confer upon or to give any person or entity other than the parties hereto and their permitted assigns any right, remedy or claim, legal or equitable, under or by reason of this Agreement. Programmer shall not enter into a local programming and marketing agreement such as this Agreement with any third party without the advance written consent of Licensee, which shall not be unreasonably withheld.

20. Construction. This Agreement will be construed in accordance with the laws of the State of Maine without regard to principles of conflicts of laws.

21. Counterpart/Facsimile Signatures. This Agreement may be signed in facsimile counterparts, each of which will be deemed a duplicate original.

22. Notice. All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been duly made and received when personally served, or when delivered by Federal Express or a similar overnight courier service, expenses prepaid, or when delivered by registered or certified mail, postage prepaid, addressed as set forth below:

(a) if to Licensee, then to: Mountain Wireless Incorporated
Attn: Alan W. Anderson
P.O. Box 274
North Marshfield, MA 02059

with a copy (which shall not
constitute notice) to: Schwartz, Woods & Miller
1350 Connecticut Avenue, N.W. – Suite 300

Washington, DC 20036-1717
Attn: Malcolm G. Stevenson

if to Programmer, then to: Clearwater Communications, Inc.
P.O. Box 237
Lyndonville, VT 05851
Attention: President
Telecopier No.: 802-626-8158

with a copy (which shall not
constitute notice) to: Fletcher, Heald & Hildreth, P.L.C.
1300 North 17th Street, 11th Floor
Arlington, VA 22209
Attention: Ann Bavender
Telecopier No. 703-812-0486

Any party may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provisions of this Section providing for the giving of notice. Any such notice or communication shall be deemed to have been received (i) when delivered, if personally delivered, on any day that is not a Saturday, Sunday or legal holiday (each a "Business Day"), (ii) on the next Business Day after dispatch, if sent by nationally recognized, overnight courier guaranteeing next Business Day delivery, and (iii) on the fifth Business Day following the date on which the piece of mail containing such communication is posted, if sent by registered or certified mail.

23. Entire Agreement. This Agreement embodies the entire agreement, and supersedes all prior oral or written understandings, between the parties with respect to the subject matter of this Agreement.

24. Relationship of Parties. Neither the Programmer nor Licensee will be deemed to be the agent, partner, or representative of the other party to this Agreement, and neither party is authorized to bind the other to any contract, agreement, or understanding.

25. Subject to Laws; Partial Invalidity. The obligations of the parties under this Agreement are subject to the rules, regulations and policies of the FCC and all other applicable laws. The parties agree that Licensee may file a copy of this Agreement with the FCC. If any provision in this Agreement is held to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability will not affect any other provision of this Agreement, and this Agreement will be construed as if it did not contain such invalid, illegal, or unenforceable provision.

26. Headings. The headings of the various provisions of this Agreement are included for convenience only, and no such heading shall in any way affect or alter the meaning of any provision.

27. Successors and Assigns. Subject to the provisions of Sections 10 above, this

Agreement shall be binding and inure to the benefit of Licensee's successors and assigns. This Agreement shall also be binding upon and inure to the benefit of Programmer and its successors and assigns.

[SIGNATURE PAGE FOLLOWS]

1024699

SIGNATURE PAGE TO
LOCAL PROGRAMMING AND MARKETING AGREEMENT

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective duly authorized representatives, each as of the date first written above.

PROGRAMMER: CLEARWATER COMMUNICATIONS, INC.

By: _____
Name:
Title: President

LICENSEE: MOUNTAIN WIRELESS INCORPORATED

By: _____
Name: Alan Anderson
Title: President

SCHEDULE 5.1

PAYMENT OF EXPENDITURES

SCHEDULE 5.3

WHQO MODIFICATION SPECIFICATION

SCHEDULE 12.1

REGULATIONS AND RESTRICTIONS

Programmer will take care to observe and exercise reasonable diligence to comply with the following regulations and restrictions in the preparation, writing and broadcasting of the Programs:

- I. Respectful of Faiths. The subject of religion and references to particular faiths, tenets and customs will be treated with respect at all times.
- II. No Attacks. The Programs will not be used as a medium for attack on any race, ethnic group, gender, nationality, disability, faith, denomination or sect or upon any individual or organization.
- III. Controversial Issues. Any discussion of controversial issues of public importance will be reasonably balanced with the presentation of contrasting viewpoints in the course of overall programming; no attacks on the honesty, integrity or like personal qualities of any person or group of persons will be made during the discussion of controversial issues of public importance; and, during the course of political campaigns, the Programs are not to be used as a forum for editorializing about individual candidates.
- IV. No Plugola or Payola. The mention of any business activity or “plug” for any commercial, professional or other related endeavor, except where contained in an actual commercial message of a sponsor, is prohibited. No commercial messages (“plugs”) or undue references shall be made in programming presented over the Station to any business venture, profit making activity or other interest (other than noncommercial announcements for bona fide charities, church activities or other public service activities) in which Programmer is directly or indirectly interested without the same having been approved in advance by the Station’s General Manager and such broadcast being announced, logged and sponsored.
- V. No Gambling. Any form of gambling on the Programs is prohibited.
- VI. Election Procedures. At least 90 days before the start of any election campaign, Programmer will clear with the Station’s General Manager the rate that Programmer will charge for the time to be sold to candidates for public office or their supporters to make certain that such rate conforms with applicable law and Station policy.
- VII. Required Announcements. Programmer will broadcast any announcements required by applicable law or station policy.
- VIII. Credit Terms Advertising. Pursuant to rules of the Federal Trade Commission, no advertising of credit terms will be made over the Station beyond mention of the fact that, if desired, credit terms are available.

- IX. No Illegal Announcements. No announcements or promotions prohibited by law of any lottery or game will be made over the Station. Any game, contest or promotion relating to, or to be presented over, the Station must be fully stated and explained in advance to Licensee, which reserves the right, in its discretion to reject any game, contest or promotion.
- X. Licensee Discretion Paramount. In accordance with the Licensee's responsibility under the Communications Act of 1934, as amended, and the rules and regulations of the FCC, Licensee reserves the right to reject or terminate any advertising proposed to be presented or being presented over the Station which is in conflict with Station policy or which, in Licensee's judgment, would not serve the public interest.
- XI. Programming Prohibitions. Programmer will not knowingly broadcast any of the following programs or announcements:
- A. False Claims. False, deceptive or unwarranted claims for any product or service.
 - B. Unfair Imitation. Infringements of another advertiser's rights through plagiarism or unfair imitation of either program idea or copy or any other unfair competition.
 - C. Profanity and Foul Language. Any programs or announcements that are slanderous, obscene, profane, vulgar, repulsive or offensive, either in theme or in treatment.

Licensee may waive any of the foregoing regulations and restrictions in specific instances if, in its opinion, good broadcasting in the public interest is served thereby.