

PURCHASE AND SALE AGREEMENT

This PURCHASE AND SALE AGREEMENT (this "Agreement") is dated as of June 28th, 2011, by and between Clark and Jeffery Smidt ("Seller") and Samuel Poulten ("Buyer").

WITNESSETH

WHEREAS, Sellers hold a 55% interest in Merrimack Valley Radio, LLC, the licensee of standard broadcast station, WCAP, Lowell, Massachusetts; and

WHEREAS, Seller wishes to sell his entire 55% interest in Merrimack Valley Radio, LLC; and

WHEREAS, the Buyer wishes to purchase Seller's entire 55% interest in Merrimack Valley Radio, LLC; and

WHEREAS, Seller's interest in the Station is represented by 55 common shares (units) of Merrimack Valley Radio, LLC; and

WHEREAS, the sale of said stock is subject to prior approval of the FCC.

NOW, THEREFORE, in consideration of the mutual covenants and promises made herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in accordance with Article 9, Transfer of Interests, of the parties Operating Agreement, the parties hereby agree as follows:

1. Sale and Purchase of Seller's 55 units of Merrimack Valley Radio. On and subject to the terms and conditions set forth herein, at the Closing (as hereinafter defined) Seller will sell, transfer, convey, assign and deliver to Buyer, and Buyer will purchase and acquire from Seller all of Seller's right, title and interest in, to, and under, said 55 shares of stock; including, but not limited to, any equity or value in the Seller's outstanding capital account and any other corporate assets as follows:

(a) All licenses, permits and other authorizations, including applications with respect thereto, relating to the Station issued to Seller by the FCC or any other governmental authority on or prior to the Closing Date, together with renewals or modifications thereof, including, without limitation, the licenses, permits, authorizations and applications presently held by MVR.

(b) In "AS IS" condition, all equipment, office furniture and fixtures, office materials and supplies, inventory and other tangible personal property, together with any additions thereto or

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replacements thereof made between the date hereof and the Closing Date, and less any retirements or dispositions thereof made between the date hereof and the Closing Date which are replaced with items of equal or greater value.

(c) Seller's right, title and interest in and to the Seller's contracts, agreements and operating leases (but excluding any agreement for borrowed money, including any mortgage) written or oral, relating to the operation of the Station. Together with all contracts, agreements and operating leases entered into or acquired by Seller between the date hereof and the Closing Date which Buyer has approved in writing before their execution, and in each case solely those agreements which Buyer has agreed to assume in writing at the Closing (as hereinafter defined) (collectively, the "Contracts");

(d) All of Seller's right, title and interest in and to the call letters "WCAP (AM)" and all trademarks, trade names, service marks, franchises, copyrights, including registrations and applications for registration of any of them, jingles, logos and slogans used in the conduct of the business and operation of the Station and either owned by Seller or licensed to Seller on the date hereof, together with any associated goodwill and any additions thereto between the date hereof and the Closing Date.

(e) All of Seller's right, title and interest in and to all of the real property owned or leased by Seller in connection with the operation of the Station, specifically including, without limitation, a certain 18 acre parcel of owned real property used at the tower site facility for the Station (the "Tower Site Property"), and a leased property used as the Station broadcast studio (the "Studio Lease" or "Studio Property"), and all of Seller's ownership or leasehold rights, in and to any buildings, fixtures, and improvements located thereon, together with any additions thereto between the date hereof and the Closing Date. Buyer acknowledges that Real Property is subject to DEP Action or Claim and accepts liability for same.

(f) All files, records, and books of account relating to, or which are located at the premises of, the Station, including, without limitation, programming information and studies, technical information and engineering data, news and advertising studies or consulting reports, marketing and demographic data, lists of advertisers, promotional materials, filings with the FCC, copies of all written contracts to be assigned hereunder, logs, the public inspection file and copies of all software programs used in connection with the operation of the Station.

2. Buyer's Assumption of Liabilities. Buyer acknowledges and agrees that Merrimack Valley Radio, LLC is liable for various leases, loans, contracts, tax liabilities, contractor and customer claims and, at closing as per Article 6, Buyer will assume the liabilities of Merrimack Valley Radio, LLC, set forth as and agreed to, and further execute a global release and indemnification of Clark Smidt, personally and as Managing Partner of Merrimack Valley Radio, LLC for all such liabilities.

Buyer further agrees to execute whatever documents necessary to notify the Internal Revenue Service, Massachusetts Department of Revenue and the City of Lowell upon FCC Approval, that

the Buyer has purchased seller's interest in said Merrimack Valley Radio and to register with said agencies as the tax agent for Merrimack Valley Radio. Buyer also agrees to work diligently with Seller, Lowell 5 Bank, and LDFC, to have Clark Smidt released from all personal guarantees relating to all loans relating to MVR, LLC and 980 WCAP and take whatever steps necessary to have Lowell 5 Bank and LDFC release Clark Smidt from all personal and corporate guarantees relating to MVR, LLC and 980 WCAP. It is the intention of Sam Poulten to have Clark Smidt released from his obligation pursuant to the promissory note to Lowell Five, however this stock sale is not contingent on same. In the event Clark Smidt's removal from the promissory note is delayed, Samuel Poulten and MVR agree to assume and pay same.

3. Confidentiality. Details or any mention of change in ownership will be kept strictly confidential, except for normal discussion with lenders and attorneys, until the filing of the FCC application for transfer. All applicable FCC requirements for transfer will be adhered to and the application shall be available for public inspection in WCAP's local file.

4. Purchase Price. The purchase price for the 55 Units of Merrimack Valley Radio, LLC to be paid by Buyer to Seller shall be the release of the Liabilities and the payment set forth below. The cash proceeds of the sale will be distributed to Clark Smidt in any specified manner by and for Clark Smidt, Inc. / Clark F. Smidt / Jeffrey C. Smidt tax mitigation and advantage.

a. Cash to Clark Smidt in Certified Funds ^{on 5 July 2011} ~~one (1) day after Signing:~~

\$50,000.00 – Sam Poulten shall become General Manager upon payment of said \$50,000.00 and MVR, LLC Operating Agreement shall be amended accordingly. Should closing not take place within 12 months, (one year) \$50,000 shall be refunded to Buyer from Sellers.

~~b. One business day after signing, \$60,000 shall be deposited in Lowell 5 Cent Savings Special Operating Account. Funds on Deposit to be immediately used to pay MVR, LLC operating expenses and Buyer agrees to relieve and release Clark Smidt from all obligation and responsibility for payment of MVR, LLC past debt as listed and agreed in Schedule A. In the event the FCC fails to grant final approval of the transfer this \$60,000.00 shall be deemed a loan from Samuel Poulten to MVR, LLC to be repaid to Poulten within 30 days with 10% interest. Poulten shall remain in charge of the daily operation of MVR, LLC & WCAP.~~

c. \$40,000.00 in Certified Funds shall be paid to Clark Smidt, Inc. upon issuance of Final Approval by FCC of Stock Transfer, expiration of all Appeal Periods and vote of YMSK, LLC as per MVR, LLC Operating Agreement.

(B)

d. Future Payments: \$85,400.00 in 30 guaranteed "benefits" payments will be made to Clark F. Smidt, Inc. @ \$2,847.00 per month, starting eight (8) weeks from the closing date as per Article 6, and paid monthly in advance by direct deposit on the first day of the month. If any payment is not generated on time (within 5 days), a 10% penalty will be imposed. There is no penalty for pre-payment.

e. ^{Sellers} ~~Clark Smidt~~ shall place ^{five} ~~his~~ 55 shares or Units of MVR, LLC into escrow with Bratton & Springer, LLP until final approval of this transfer by the FCC and YMSK, L.L.C.

During this period Sellers will retain voting rights associated with these shares.

f. MVR, LLC shall continue to operate the Station in accordance with accepted business practices. Seller will work to maintain the financial health of MVR, LLC and cooperate fully with Buyer in effecting a smooth transition of ownership and control. The price agreed upon is based on the financial condition of MVR, LLC/WCAP at the time of signing ~~and as indicated on Schedule A, attached.~~ Buyer will work diligently to have Lowell 5 Bank and LDPC remove Clark Smidt from all MVR, LLC loans and notes and free him from any personal guarantees for same.

ARTICLE 5. GOVERNMENTAL CONSENTS

*the transfer of control of
MVR, LLC from Sellers to Buyer*

5.1 **FCC CONSENT.** The transactions contemplated hereby are expressly conditioned on and subject to the prior consent and approval of the FCC to ~~assignment of the FCC Licenses from~~ Seller to Buyer ("FCC Consent") without the imposition of any conditions on the assignment of the FCC Licenses which would reasonably have a material adverse effect on the results of operations of Buyer or the Station.

5.2 **FCC APPLICATION.** Within ten (10) days after execution of this Agreement and the payment of said \$50,000 deposit, each party shall prepare and execute its respective portion of an application for FCC Consent ("FCC Application") from Seller to Buyer and Seller shall promptly file the completed FCC Application with the FCC. The parties shall thereafter prosecute the FCC Application with all reasonable diligence and otherwise use commercially reasonable efforts to obtain the grant of the FCC Application as expeditiously as practicable (but no party shall have any obligation to satisfy complainants or the FCC by taking any steps which would have a material adverse effect on the results of operations of a party or any affiliated entity). If the FCC Consent imposes any condition on a party hereto, such party shall use commercially reasonable

efforts to comply with such condition; provided, however, that no party shall be required hereunder to comply with any condition that would have a material adverse effect on the results of operations of such party or any affiliated entity. If reconsideration or judicial review is sought with respect to the FCC Consent, the party affected shall vigorously oppose such efforts for reconsideration or judicial review; provided, however, such party shall not be required to take any action which would have a material adverse effect on the results of operations of such party or any affiliated entity.

5.3 PREPAYMENT OF DEPOSIT. FCC application will be filed after payment of deposit is made to Seller by the Buyer. Such cash payment will be made upon banks' consent to this purchase and sale agreement. FCC filing will be no later than the date of consent to this purchase and sale agreement by the Lowell Five Savings Bank and the L.D.F.C.

ARTICLE 6. CLOSING

6.1 CLOSING DATE. Except as otherwise mutually agreed upon by Seller and Buyer, or as provided by Section 5.2, the consummation of the transactions contemplated herein (the "Closing") shall occur within ten (10) days after public notice of the granting of FCC Consent has occurred and the expiration of all appeal periods, on a date to be designated by Buyer in a notice given in writing to Seller at least five (5) days before such Closing is to occur. All actions taken at the Closing will be considered as having been taken simultaneously and no such actions will be considered to be completed until all such actions have been completed.

6.2 SPECIAL CLOSING CONDITION IN THE EVENT OF FCC PROCEEDINGS. In the event that a petition to deny, petition for reconsideration, objection or other proceeding before the FCC has been filed or instituted opposing the grant of FCC Consent or seeking to prohibit consummation of the transactions contemplated by this Agreement between the time of filing of the FCC Application and the Closing Date as determined in Section 5.1 above (the "Special Condition"), the parties shall agree in writing to delay the Closing. In the event of such an election the Closing shall take place on a date five (5) days after FCC Consent has become a Final Order. A "Final Order" shall be deemed to have occurred on the date upon which the FCC Consent has not been reversed, stayed, enjoined or set aside and with respect to which no timely request for stay, reconsideration, review, rehearing or notice of appeal or determination to reconsider or review is pending, and as to which the time for filing any such request, petition, or notice of appeal or for review by the FCC, and for any reconsideration, stay or setting aside by the FCC on its own motion or initiative, has expired.

Merrimack Valley Radio is to pay for all FCC closing costs and fees, including attorney's fees related to the FCC application. The Parties agree that Erwin Krasnow, Esq. shall prepare and file the FCC Consent Application.

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6.3 CLOSING PLACE. Subject to the satisfaction of the conditions contained in this Agreement, the consummation of the transactions described herein shall take place at the closing (the "Closing") to be held at the offices of Scott Bratton, Esquire, 9 Middlesex Street, Lowell, Massachusetts, as soon as practicable after all Closing Conditions set forth in Sections 5 and 6 hereof have been either fulfilled or waived.

ARTICLE 7.
REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer as follows:

7.1 AUTHORITY.

(a) Seller has all necessary corporate power and authority to enter into this Agreement and all other agreements, documents, certificates and instruments delivered or to be delivered hereunder by such Seller (this Agreement and such other agreements, documents, certificates and instruments are referred to herein collectively as the "Seller Documents"), to perform its obligations thereunder, and to consummate the transactions contemplated thereby. The execution and delivery of the Seller Documents by each Seller and the consummation by each Seller of the transactions contemplated thereby have been, or will be prior to the Closing, as the case may be, duly authorized by all necessary corporate action on the part of each Seller. Each of the Seller Documents has been, or at or prior to the Closing will be, as the case may be, duly executed and delivered by Seller and constitutes, or will constitute at the Closing, as the case may be, a valid and binding obligation of each Seller, enforceable against such Seller in accordance with their respective terms.

(b) The execution and delivery by each Seller of the Seller Documents does not or will not, and the consummation of the transactions contemplated thereby will not: (i) conflict with, or result in a violation of, any provision of the Articles of Incorporation or Bylaws of such Seller; (ii) constitute or result in a breach of or default (or an event which with notice or lapse of time, or both, would constitute a default) under, or result in the termination or suspension of, or accelerate the performance required by, or result in a right of termination, cancellation or acceleration of any Contract, or any other material agreement, indenture, covenant, instrument, license or permit by which such Seller is bound; (iii) create any Lien upon any of the Station Assets; or (iv) constitute, or result in, a violation of any judgment, ruling, order, writ, injunction, decree, statute, law, rule or regulation applicable to such Seller or any of its properties or assets. All transmission equipment and Towers are as-is at time of closing.

(c) Except for the FCC Consent, Lowell Five Cent Savings Bank consent and the L.D.F.C. consent, no consent, approval, order or authorization of, notice to, or registration, declaration of filing with, any governmental entity is necessary in connection with the execution and delivery of the Seller Documents by Seller or the consummation of the transactions contemplated thereby by Seller, except for filing of required documents with the FCC.

7.2 FCC LICENSES.

(a) Licensee is the authorized legal holder of the FCC Licenses. The FCC Licenses are in full force and effect, unimpaired by any act or omission of either Seller. The FCC Licenses are all of the licenses, permits or other authorizations from federal governmental and regulatory authorities necessary to the operation of the Station in the manner and to the full extent as such operations are currently conducted and there are no conditions upon the FCC Licenses except those conditions stated on the face thereof. No proceedings are pending or threatened (other than proceedings applicable to the radio industry as a whole) nor do any facts exist which may result in the revocation, modification, non-renewal or suspension of any of the FCC Licenses, the denial of any pending applications related to the FCC Licenses, the issuance of any cease and desist order related to the FCC Licenses, the imposition of any administrative actions by the FCC with respect to the FCC Licenses or which may affect Buyer's ability to operate the Station in accordance with the FCC Licenses and the existing rules, regulations and policies of the FCC (the "FCC Rules").

(b) The Station and its transmission facilities are operating in material compliance with the FCC Licenses and the FCC Rules, and Seller shall take all steps reasonably necessary to insure continued compliance therewith pending the Closing. Licensee has filed with the FCC all material reports or applications (including payment of any fee, fine or forfeiture due to the FCC as of date hereof) with respect to the FCC Licenses and the Station. Seller has complied in all material respects with applicable FCC Rules pertaining to (i) the Station's public file, and (ii) the requirements to maintain logs and other records. All such files, logs, and records required by the FCC are kept in good order and maintained at the Station. The Station's tower and transmitting facilities are in good repair and structurally sound, are currently maintained and shall be maintained in accordance with good engineering practice and all applicable FCC Rules, have correct monitoring points, and possess all necessary lighting and markings to comply with applicable FCC Rules. If required, the transmission towers are duly registered with the FCC and Federal Aviation Administration. The Station is currently transmitting its broadcast signal, and shall on the Closing Date be transmitting its broadcast signal, at no less than ninety percent (90%) of its maximum authorized power.

7.3 CONTRACTS. All Contracts are to be conveyed to Buyer at the Closing. Seller has delivered to Buyer a true, accurate and complete copy of each Contract, including all amendments, supplements or modifications thereto or waivers thereunder.

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8.0 DUE DILIGENCE

Buyer has conducted a review of the general economic and operating condition of Merrimack Valley Radio, including but not limited to financial and accounting systems, sales, programming, physical inventory, technical facilities, legal matters, marketing, FCC compliance, employee benefits, taxes, personnel and environmental matters, etc.

9.0 ADDITIONAL PROVISIONS:

Upon Closing as per Article 6, Seller's signature shall be deemed a Release to Buyer and Merrimack Valley Radio, LLC. for any and all claims for Seller's past due compensation, loans, benefits and expenses.

Upon Closing as per Article 6, this agreement shall be deemed a full Release and Indemnification which will be global settlements releasing Buyer and Seller from any and all corporate or personal liabilities as they relate to each in his operation of Merrimack Valley Radio.

Upon Closing as per Article 6, Seller will withdraw, with prejudice, all legal action pending or filed against Buyer by Seller.

Further station consulting by Clark Smidt, including on air presence, after closing by Clark F. Smidt, Inc, Broadcast Advisor, will be by separate agreement.

Upon Closing, the parties shall issue a joint public statement within seven (7) days stating in substance the parties have reached an amicable agreement with respect to the transfer of the radio station.

This Agreement shall remain confidential between the parties with the exception of the information necessary for the FCC and the Lowell Five Bank to approve the transfer and all FCC requirements for public notice, announcements and the availability of this application for public inspection in the WCAP Local File.

After the signing of this Agreement and until the closing under Article 6 MVR, LLC shall continue to pay first person life insurance and health insurance premiums for Clark Smidt, until *his release from all MVR LLC notes & obligations at Lowell 5 & LDFC.*

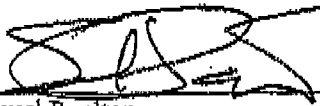
Executed as a sealed instrument this 10th day of June, 2011.

Each of us has read this purchase and sale agreement and consulted with legal counsel and agree to the terms of same.

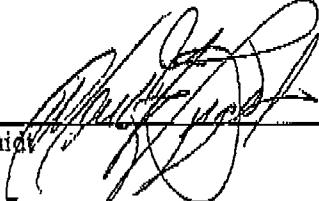
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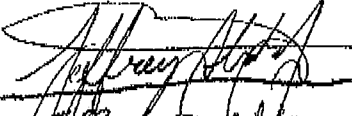
Each of us has read this purchase and sale agreement and consulted with legal counsel and agree to the terms of same.




Samuel Poulten



Clark Smidt



Jeffrey Smidt

Witness: 

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From: Clark Smidt <clarksmidt@gmail.com>
Subject:
Date: June 28, 2011 6:45:55 PM EST

June 28, 2011

Sam and Clark have signed the P&S agreement subject to it being recopied and resigned for FCC filing purposes.

With the signing, Sam has accepted to pay all past debt as per 4B and operations and obligations of MVR, LLC and releasing Clark from same.

The initial \$50,000. payment from Sam to Clark will be made in certified funds on July 5, 2011, as will the deposit to the MVR operating account.

Sam will pay any shortfall from the past due Lowell 5 mortgage payments.

All deposits will go into the station operating account and Clark will write no checks, except in emergency, until July 5.



Clark Smidt



Sam Poulsen