

THE EXECUTION AND DELIVERY OF THIS AGREEMENT SHALL NOT RESULT IN THE LOSS OF ANY CONTROL BY SELLER WITH RESPECT TO THE STATION OR ANY OTHER CONTROL THE LOSS OF WHICH WOULD BE IN VIOLATION OF FCC RULES AND REGULATIONS, UNTIL SUCH TIME AS THE FCC APPROVES THE CHANGE OF CONTROL OF THE STATION FROM SELLER TO BUYER AND THE CLOSING HAS IN FACT TAKEN PLACE.

RADIO STATION WKTJ-FM
STOCK PURCHASE AGREEMENT

This Stock Purchase Agreement, dated the 6th day of December, 2004, is entered into by and among Marc Fisher, a resident of Maine, Nelson Doak, a resident of Maine (together referred to herein as the "Seller"), Franklin Broadcasting Corporation, a Maine corporation (referred to herein as the "Company"), and Clearwater Communications, Inc., a Maine corporation (referred to herein as "Buyer").

RECITALS:

A. Seller is the owner of 100% of all of the issued and outstanding capital stock, all classes, of the Company (the "Stock").

B. The Company is the owner of Radio Station WKTJ-FM, Farmington, Maine and the duly authorized Federal Communications Commission ("FCC") licensee of WKTJ-FM.

C. Buyer desires to purchase the Stock from Seller and Seller desires to sell the Stock to Buyer, subject to approval of the FCC and further subject to the terms and provisions of this Agreement.

NOW, THEREFORE, for and in consideration of the premises and the respective warranties, representations, covenants and agreements of Seller and Buyer hereinafter set forth, Seller and Buyer hereby agree as follows:

1. Section Definitions. The capitalized terms used herein shall have the indicated meaning as follows:

"Agreement" shall mean this Stock Purchase Agreement and all Exhibits, Schedules and Annexes attached hereto.

"**Assets**" shall mean all of the assets and properties of every kind, nature or description, whether tangible, intangible, real, personal or mixed, and any and all rights, titles and interests therein, owned or claimed by the Company, including, but not limited to, those assets and properties listed on **Exhibit 1(a)** attached hereto.

"**Buyer**" is defined above.

"**Company**" is defined above.

"**Closing**" is defined in Section 19.

"**Closing Date**" is defined in Section 19.

"**FCC Licenses**" is defined in Section 10(a).

"**Final FCC Consent**" is defined in Section 10(b).

"**Initial FCC Consent**" is defined in Section 10(b).

"**Purchase Price**" is defined in Section 4.

"**Seller**" is defined above.

"**Station**" shall mean Radio Station WKTJ-FM, Farmington, Maine.

"**Stock**" is defined above.

"**Tax Liabilities**" shall mean all tax liabilities of any nature, including interest and penalties thereon, owing to any taxing authority, whether foreign, federal, state or local, including, but not limited to, federal income taxes, state income taxes, sales taxes, use taxes, franchise taxes, property taxes, ad valorem taxes, payroll taxes, F.I.C.A., F.U.T.A., state unemployment taxes and employees' income taxes withheld at the source.

"**Transfer Application**" is defined in Section 10(c).

"**Transaction**" shall mean the sale and purchase of the Stock from Seller to Buyer as contemplated by this Agreement.

2. Section Sale and Purchase of Stock. Subject to the approval of the FCC and upon the terms and conditions of this Agreement, Seller agrees to sell, transfer, assign and deliver good and marketable title to the Stock to Buyer free and clear of all liens, claims and encumbrances; and Buyer agrees to purchase and accept the sale, transfer, assignment and delivery from Seller of good and marketable title to the Stock.

3. Section [Deleted]

4. Section Amount and Payment of Purchase Price. As consideration for the sale of the Stock from Seller to Buyer and the other agreements, warranties and representations of Seller made herein, Buyer shall pay to or for the benefit of Seller at Closing a cash purchase price in the amount of Four Hundred Fifty Thousand Dollars (\$450,000) (the "Purchase Price").

5. Section [Deleted]

6. Section [Deleted]

7. Section [Deleted]

8. Section Liabilities. The parties hereto agree that all Liabilities of Seller shall remain the Liabilities of Seller and Buyer will not assume, nor be required to assume, any Liabilities of Seller.

9. Section [Deleted]

10. Section FCC Approval.

(a) Consummation of the Transaction is conditioned upon the FCC having given its consent in writing (without, in Buyer's reasonable opinion, any condition materially adverse to Buyer) to the transfer of control of the Company from Seller to Buyer ("FCC Consent") including of all licenses, permits and authorizations granted by the FCC to Seller relating to the operation of the Station (collectively, the "FCC Licenses") and said consent having become Final FCC Consent.

(b) For purposes of this Agreement, such FCC Consent shall be deemed to be Initial FCC Consent (herein so called) once it

is granted and published. For purposes of this Agreement, such FCC Consent shall be deemed to have become Final FCC Consent (herein so called) after it is granted and published and when the time for administrative or judicial review or reconsideration has expired and when the time for the filing of any protest, request for stay, petition for rehearing, reconsideration or appeal of such order of consent has expired and no protest, request for stay, petition for rehearing, reconsideration or appeal has been timely filed and is pending. Once Initial FCC Consent shall have occurred, Buyer may waive the condition of Final FCC Consent as set forth in Section 17(x).

(c) The parties agree to proceed to file or cause to be filed an application (the "Transfer Application") requesting that the FCC consent to the transfer of control of the Company including the FCC Licenses to Buyer on or before the 15th business day following the date of the final execution and delivery of this Agreement.

(d) The parties agree with each other that each of them will prosecute the Transfer Application, including all necessary amendments and supplements thereto, in good faith and with due diligence. Each party agrees that it will timely, promptly and fully respond to all matters involving the Transfer Application. If an objection to the grant of the Transfer Application is raised before the FCC by any party, or is raised by the FCC upon its own motion, then Buyer and Seller shall each use their individual and joint best efforts to resolve such objection in a manner which will permit grant of the Transfer Application within the time period required by this Agreement; and if the said objection pertains to any portion of this Agreement, then Buyer and Seller agree to examine the objection in good faith and to amend this Agreement to delete or otherwise modify any provision found objectionable if said can be accomplished without materially decreasing the rights or benefits of either party under this Agreement and without materially increasing the obligations or duties of either party under this Agreement.

(e) If the FCC shall not have consented to the Transaction within nine months following the filing of the Transfer Application, then this Agreement shall be terminable by either Buyer (assuming Buyer is not in default under this Section) or Seller (assuming Seller is not in default under this Section)

upon written notice delivered to the other unless prior to the date of delivery the FCC has set the Transfer Application for hearing in which case this Agreement shall be extended until such hearing occurs and the FCC issues a final decision thereon or such earlier time as the parties shall mutually agree.

11. Section Representations and Warranties of Seller.
Except as set forth on Exhibit 11 attached hereto, Seller hereby represents and warrants to Buyer as follows:

(a) Organization. Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Maine and has all requisite power and authority to own or hold the assets and properties now owned or held by it and to carry on its business as it is presently being conducted. Company is not licensed or qualified to do business in any jurisdictions other than the State of Maine and neither the activities carried on nor the assets or properties held or owned by Company are such as to require Company to be licensed or qualified in any other jurisdictions.

(b) Capital Stock of the Company. The total number of shares of stock which Company is authorized to issue, all classes, is _____ shares of stock, having a par value of _____ Dollars (\$____.00) per share. Only _____ shares of the authorized shares of stock are validly issued and outstanding and fully paid and non-assessable. Seller owns all of the Stock. There are no other stockholders in the Company other than Seller. The shares of stock owned by Seller constitutes 100% of all the issued and outstanding shares of stock of the Company. Except for the rights of Buyer hereunder, there are no outstanding puts, calls, options, warrants, agreements, understandings, subscription agreements or other rights to subscribe for, purchase or receive any securities of Company including, but not limited to, any of the shares of stock of the Company.

(c) Seller's Title to Stock. Except for interests that will be released on or before the Closing Date, Seller owns and has good and marketable title to the

Stock, free and clear of all liens, pledges, encumbrances, security interests and claims of any Persons. Seller has full legal right, power and authority to enter into and perform this Agreement and, subject to the FCC Consent, to sell, assign and transfer the entire legal and beneficial interest in the Stock to Buyer pursuant to this Agreement. Seller is not a party to any outstanding agreements with any individual or entity other than Buyer for transfer or sale, directly or indirectly, of any of the Stock. Seller has disclosed to Buyer all liabilities or potential liabilities of Seller which have, or could have, an adverse impact on, or otherwise create, or could create, a lien, claim or interest in, the Stock to be acquired by Buyer pursuant to this Agreement.

(d) Corporate Records. The minute books of Company contain the originals of the Articles of Incorporation and all amendments thereto, the by-laws and all amendments thereto, the minutes of all meetings of its shareholders and of its directors, all resolutions adopted by shareholders and its directors, all written consents executed by its shareholders and its directors. The stock books of Company contain complete and accurate records of all issuances and transfers of its stock, all classes, and all cancelled and unused stock certificates. Seller has delivered to Buyer true, correct and complete copies of the minute books and stock books of the Company.

(e) Subsidiaries. Company does not own any equity interest, whether as a stockholder, member, partner, participant or otherwise in any corporations, partnerships, limited liability companies, partnerships or any other entities.

(f) Assets and Liabilities. **Exhibit 1(a)** is a true and complete list of all of the material items of the Assets as of the date hereof. There are no material assets or properties owned or claimed by the Company as of the date hereof which are not listed on **Exhibit 1(a)**. **Exhibit 1(c)**, *Liabilities of the Company*, is a true and complete list of all the material items of the Liabilities of the Company as of the date hereof.

There are no material debts, liabilities or obligations owed by the Company or asserted against the Company which are not listed on **Exhibit 1(c), Liabilities of the Company**. The Company is not liable or indebted to Seller in any manner. Seller is not aware of any unasserted claim or assessment which may in the future be asserted against Company or against any director, officer or employee of Company in his or her capacity as such director, officer or employee.

(g) Balance Sheet. Attached hereto as **Exhibit 11(g)** is a copy of the Company's balance sheet at _____, 2004 (the "Balance Sheet"). The Balance Sheet has been prepared in accordance with GAAP and materially and accurately represents the financial condition and results of operation of the Company as of _____, 2004.

(h) Other Business Activities. Since June 5, 2000, the Company has not engaged in any business activity or operations of any nature other than owning and operating the Station.

(i) Present Status. Since June 5, 2000 and to the date hereof the Company has not: (i) issued, sold or delivered any shares of its capital stock or other securities of any kind, or issued, sold or granted or agreed to issue, sell or grant any options, warrants or other rights of any nature to purchase or receive any of the foregoing; (ii) sold or otherwise disposed of any of its assets or properties other than in the ordinary course of business; (iii) suffered any loss, damage or destruction in excess of \$5,000 in the aggregate, to any of its assets or properties which was not covered by insurance; (iv) changed the accounting methods, practices or principles previously followed by it or changed the depreciation or amortization policies and rates previously used by it; (v) acquired any assets or properties other than in the ordinary course of business; (vi) entered into any material transaction, contract, agreement or commitment; or (vii) agreed to do or perform any of the activities described in this subsection.

(j) Title to Assets. Except for liens listed in **Exhibit 15(p)** which shall be released on or before the Closing, as of the date hereof the Company has, and at the time of Closing the Company shall have, good and marketable title to the Assets, free and clear of all liens, pledges, security interests, encumbrances and claims of any Persons. The Company is not a party or otherwise bound to any outstanding agreements with any individual or entity for transfer or sale, directly or indirectly, of any interest in the Assets, including the FCC Licenses.

(k) Contracts. Except as set forth in Exhibit 1(c) hereto, Company is not a party nor bound by, nor are any of the Assets subject to, any of the following types of Contracts: (i) a Contract for the employment of any person which can not be terminated by Company at any time without penalty upon not more than thirty (30) days prior notice; (ii) a Contract with any present or former director, officer, employer or shareholder of Company or with any Affiliate of any such director, officer, employee or shareholder which can not be terminated by Company at any time without penalty upon not more than thirty (30) days prior notice; (iii) a partnership or joint venture agreement, or a Contract to enter into a partnership or joint venture agreement; (iv) a Contract by Company for the purchase of goods or services in excess of the normal requirements of Company's business, or at a price in excess of that normally payable for such goods or services; or (v) a Contract which calls for a performance by the Company for an amount or value in excess of \$5,000 entered into other than in the ordinary course of business.

(k) Tax Returns and Other Reports. Seller has provided Buyer with true, correct and complete copies of (i) all federal income tax returns for Company for all taxable years and reporting periods beginning on or after January 1, 2000 and (ii) all Maine franchise tax returns for all taxable years and reporting periods beginning on or after January 1, 2000 and (iii) all quarterly and annual federal and state payroll tax returns for all taxable years and

reporting periods beginning on or after January 1, 2000. Company is not delinquent in the filing of any tax returns or other reports required to be filed by it with any governmental entity or in the payment of taxes payable by it to any governmental entity and all tax returns and other reports filed by Company are true, correct and complete and present fairly and accurately the information required to be shown therein. Company has paid all taxes as shown on such tax returns to the appropriate governmental entity; the Company is not delinquent in the payment of any taxes payable by it to any such governmental entity and there are no pending or threatened claims for tax deficiencies, penalties or interest against Company by any governmental entity. There are no agreements or waivers extending the time of the assessment of any tax or tax deficiencies against Company. The Company has not elected to be taxed under subchapter "S" of the Code.

(l) No Defaults. As of the date of this Agreement, at Closing Date and at all times in between, Seller and Company shall not be either in violation of the material rights of any third party or in material default or arrears (and no event shall have occurred which would with lapse of time or action by a third party could result in a material default or arrears) under any contract, agreement or other instrument that is relevant or material to this Agreement, the Station, the Transaction, or the Assets.

(m) No Pending Actions. Other than proceedings affecting the broadcasting industry generally, as of the date hereof there are not, and at Closing and prior to Closing there shall not be, any pending, or to Seller's knowledge, threatened claims, investigations, actions, suits or proceeding before any court, arbitrator(s) or any governmental entity, against or involving Seller, Company, the Station, the Assets, this Agreement, the Transaction, or the Stock, the conceivable results of which would prevent, hinder, impair or adversely affect any of Seller, Company, the Station, the Assets, this Agreement, the Transaction, or the Stock.

(n) No Violations. As of the date of this Agreement and at the Closing Date and at all times in between, Company is not, and will not be, in material violation of, or in material default with respect to, any applicable statute, law, ordinance, rule, regulation, judgment, writ, injunction or decree of any court of any federal, state, county, municipal or any other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which violations could have a material adverse impact on the Station, this Agreement, the Transaction, the Assets, or the Stock. As of the date of this Agreement, neither Seller nor the Company has received any notice of any violation of or default with respect to any of the foregoing; and if either Seller or the Company should receive any such notice from and after the date hereof and prior to Closing, then Seller or the Company, as the case may be, shall immediately notify Buyer.

(o) Licenses. Company has all licenses, permits, franchises, and other authorizations (both governmental and non-governmental) which are required in connection with its ownership, use or current operation of the Station and Assets and business and is not in material default with respect thereto and has not breached or violated any requirement thereof.

(p) Conflicts of Interest. No shareholder, director, officer or principal employee of or consultant to Company owns, directly or indirectly, any interests in or is a director, officer or employee of or consultant to any entity that: (i) is a competitor, supplier or customer of Company; (ii) is in any material undisclosed manner associated with or involved in the business conducted by Company; or (iii) owns directly or indirectly, in whole or in part, any property, asset or right which Company presently owns or operates or uses or the use of which is material to Company's business.

(q) Authorization of Company. The execution, delivery and performance of this Agreement by Company

has been duly and effectively authorized by its board of directors as required by all applicable law.

(r) Binding Agreement. This Agreement has been duly and validly executed and delivered by Seller and the Company and constitutes a valid and binding agreement of Seller and the Company, enforceable against them in accordance with its terms.

(s) Due Authority. Neither the execution nor delivery of this Agreement by Seller and the Company nor consummation of the Transaction by them will: (i) conflict with or result in a breach of any provision of the Articles of Incorporation or Bylaws of the Company; (ii) constitute a breach or default or give to others any right of termination, cancellation or acceleration under any agreement or instrument to which Company or Seller is a party or by which any of the Assets are bound; (iii) result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon or give to others any interest or right in or with respect to any of the Assets; or (iv) violate any order, decree, rule or regulation of any court or governmental authority which order, decree, rule or regulation is applicable to Seller or Company or by which any of the Assets are bound. The execution, delivery and performance by Seller and Company of this Agreement and the consummation of the Transaction does not and will not conflict with, or result in any material breach or violation of, any applicable provision of law or administrative regulation or any material mortgage, lien, lease, agreement, instrument, order, judgment or decree, or any other material obligation or restriction of any kind to which Company or Seller is a party or by which any of their respective assets are bound.

(t) Accuracy of Representation. None of the representations or warranties made by Seller in this Agreement and no statement contained in any schedule, certificate or other instrument delivered by Company or Seller to Buyer pursuant hereto contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the

statements contained herein or therein not misleading. Seller has not knowingly omitted from any such representation, warranty or statement any material fact necessary in order to present the statements contained herein or therein from being misleading.

(u) Operation of Station in Compliance with FCC Licenses. Station and its physical facilities, electrical and mechanical systems and equipment are being, and at all times prior to and at Closing will be, operated in compliance with the terms of each of the FCC Licenses and all other applicable governmental regulations, and are presently and on the Closing Date will be in compliance with the rules and regulations of the FCC and other applicable governmental regulations. Company holds, and on the Closing Date will hold, valid FCC Licenses which are necessary for Company to own and operate the Station in the manner operated on and before the date hereof. No action or proceeding is pending or threatened or prior to or on the Closing Date will be threatened or pending, before the FCC or other governmental entity for the cancellation or material adverse modification of Station's FCC Licenses. The Station's Public File which is required by the FCC to be maintained by the Company is current and contains all information required to be included therein. The Company is current with all reports, filings and other matters that it is required to file with the FCC and is not delinquent in the payment of any fees and charges due to the FCC.

(v) Employee Benefit Plans. As of the date of this Agreement and at all times prior to and at the Closing, the Company is not, and will not, be obligated under any pension, profit-sharing, retirement plan or any other type of employee benefit plan.

(w) Collective Bargaining Agreements. As of the date of this Agreement and at all times prior to or at the Closing Company is not, and will not voluntarily be, a party to any collective bargaining agreements.

(x) [Deleted]

(y) Accurate Information. Seller has delivered to Buyer accurate lists and summary descriptions of the following:

(1) Itemized lists of the fixed assets and equipment of the Station with their dates of purchase, all of which shall be included in the Assets at the time of Closing; and

(2) True and correct copies of all written Contracts pertaining to the ownership or operation of the Station.

(z) Completeness of Assets. The Assets constitute all of the assets, tangible or intangible, which Seller and/or Company owns or controls which are necessary, advisable or appropriate for the operation of the Station as of the date hereof.

(aa) Condition of Intangible Assets. The Company will have full enjoyment of all of the intangible assets together with all the rights and privileges attendant thereto.

(bb) Full Disclosure. As of the date of this Agreement and at all times prior to Closing and at Closing, Company and Seller have, and will have, disclosed all events, conditions and facts materially affecting Seller, the Company, the Station, the Assets, the Transaction, and the Stock. Neither Seller nor any of the shareholders, officers, directors, or employees of Company has now, and none will have at any time prior to Closing and at Closing, withheld knowledge of such events, conditions or facts which he or she knows, or has reasonable grounds to know, and which are inconsistent with or contrary to any of Company's and/or Seller's representations and warranties as set forth in this Agreement. The disclosure to Buyer of any such events, conditions or facts after the date hereof shall not operate as a waiver of, or exception to, the affected

representation or warranty or any other provision of this Agreement.

(cc) Third Party Consents. Except for the FCC, no consent of any Person is required for the performance of Seller's and Company's obligations hereunder, the sale and delivery of the Stock from Seller to Buyer and otherwise for the consummation by Seller and Company of the Transaction. Seller knows of no reason why the FCC would not consent to the transfer of control of the Company from Seller to Buyer.

(dd) Warranty Regarding Solvency. The net saleable value of Seller's assets (including the Stock) as of the date hereof, and at all times prior to and at the Closing, exceeds, and will exceed, the liabilities of Seller.

(ee) Environmental Matters. To Seller's knowledge, there is not presently, nor at or prior to the Closing will there be, any material violation of any statute, law, rule, order or regulation of any governmental entity or instrumentality, whether federal, state or local with respect to any real property owned, leased, or operated by the Company which imposes any liability on the owner, lessee, or operator of such real estate for any environmental condition or hazard, including, but not limited to, any liability for cleanup or remediation of any environmental condition or hazard or which would otherwise obligate Seller or, with the passage of time, could cause Seller to be obligated to clean up, remedy or otherwise restore to a former condition, by itself or jointly with others, any contaminated surface water, ground water, soil or any natural resources associated therewith (referred to herein as an ("Environmental Condition")).

12. Section Representations and Warranties by Buyer. Buyer hereby represents and warrants to Seller as follows:

(a) Organization. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Maine, has all requisite power and authority to carry on its business, and is

duly qualified to do business, and is in good standing, in each jurisdiction in which the character of the properties owned by it or the nature of the business transacted by it makes such qualification required by law.

(b) Authority Relative to this Agreement. The execution, delivery and performance of this Agreement has been duly and validly authorized by Buyer.

(c) Binding Agreement. This Agreement has been duly and validly executed and delivered by Buyer and constitutes a valid and binding agreement of Buyer enforceable against it in accordance with its terms.

(d) No Breach or Violation. The execution, delivery and performance of this Agreement and the consummation of the Transaction does not and will not conflict with, or result in any material breach or violation of, any applicable provision of law or administrative regulation or any material mortgage, lien, lease, agreement, instrument, order, judgment or decree, or any other material obligation or restriction of any kind to which Buyer is a party or by which its properties are bound.

(e) Third Party Consents. Except for the FCC, no consent of any Person is required for the performance of Buyer's obligations hereunder, the purchase of the Stock from Seller and otherwise for the consummation by Buyer of the Transaction. Buyer knows of no reason why the FCC would not consent to the transfer of control of the Company from Seller to Buyer.

(f) Financial Qualification. Contingent upon Buyer obtaining financing for the purchase of the Stock, Buyer at Closing will be financially qualified to meet all of its obligations arising under this Agreement. No insolvency proceedings of any character against Buyer or its permitted assignee shall be pending at anytime between now and Closing and Buyer shall not have taken any action in contemplation of, or which could constitute the basis for, the institution of any such insolvency proceeding.

(g) No Pending Actions. Other than proceedings affecting the broadcasting industry generally, as of the date hereof there are not, and at Closing and prior to Closing there shall not be, any pending or, to Buyer's knowledge, threatened claims, investigations, actions, suits or proceeding before any court, arbitrator(s) or any governmental entity, against or involving Buyer, this Agreement or the Transaction the conceivable results of which would prevent, hinder, impair or adversely affect the ability of the Buyer to perform its obligations arising under this Agreement or under any other agreement to be delivered in connection with the closing of the Transaction.

(h) Due Authority. Neither the execution nor delivery of this Agreement by Buyer nor consummation of the Transaction by it will: (i) conflict with or result in a breach of any provision of the Articles of Incorporation or Bylaws of Buyer; (ii) constitute a breach or default or give to others any right of termination, cancellation or acceleration under any agreement or instrument to which Buyer is a party or by which any of the Buyer's assets are bound; or (iii) violate any order, decree, rule or regulation of any court or governmental authority which order, decree, rule or regulation is applicable to Buyer or by which any of the Buyer's assets are bound. The execution, delivery and performance by Buyer of this Agreement and the consummation of the Transaction does not and will not conflict with, or result in any material breach or violation of, any applicable provision of law or administrative regulation or any material mortgage, lien, lease, agreement, instrument, order, judgment or decree, or any other material obligation or restriction of any kind to which Buyer is a party or by which any of its assets are bound.

(i) No Violations. As of the date of this Agreement and at the Closing Date and at all times in between, Buyer is not, and will not be, in material violation of, or in material default with respect to, any applicable statute, law, ordinance, rule, regulation,

judgment, writ, injunction or decree of any court of any federal, state, county, municipal or any other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which violations could have a material adverse impact on this Agreement or the Transaction. As of the date of this Agreement, Buyer has not received any notice of any violation of or default with respect to any of the foregoing; and if Buyer should receive any such notice from and after the date hereof and prior to Closing, then Buyer shall immediately notify Buyer.

(j) Accuracy of Representations. As of the date hereof, at the Closing and at all times in between none of the representations and warranties made by Buyer herein or contained in any certificate, document or other instrument furnished or to be furnished to Seller or Company pursuant hereto contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary in order to make the statements contained herein or therein not misleading.

(k) Full Disclosure. As of the date of this Agreement and at all times prior to Closing and at Closing Buyer has, and will have, disclosed all events, conditions and facts materially affecting Buyer and the Transaction. Neither Buyer nor any of the shareholders, officers, directors, or employees of Buyer has now, and none will have at any time prior to Closing and at Closing, withheld knowledge of such events, conditions or facts which he or she knows, or has reasonable grounds to know, and which are inconsistent with or contrary to any of Buyer's representations and warranties as set forth in this Agreement. The disclosure to Seller of any such events, conditions or facts after the date hereof shall not operate as a waiver of, or exception to, the affected representation or warranty or any other provision of this Agreement.

13. Section Matters Regarding Representations and Warranties. All of the representations and warranties of Seller

and Buyer in this Agreement shall survive the consummation of the Transaction for a period of five years thereafter.

14. Section Pre-Closing Covenants of Buyer. Buyer agrees to perform the following covenants pending Closing:

(a) If at anytime prior to Closing Buyer should ~~determine~~ (it being understood that there shall be no ~~duty to investigate or other duty of due diligence~~) that Seller has breached any warranty or representation, Buyer will give Seller a reasonable opportunity to cure such breach (but not to exceed 30 days) and the Closing shall be postponed to permit Seller to cure unless Buyer waives the breach (reserving any rights with respect to such breach) so that Closing can occur as otherwise scheduled.

(b) Buyer shall not take or cause to be taken any action which would (i) cause any of Buyer's representations, warranties or covenants made in this Agreement or any document or instrument provided or to be provided in connection herewith to be untrue or incomplete in any material respect or (ii) interfere with or delay the consummation of the Transaction. Buyer will use its best efforts to insure that the representations and warranties made by Buyer herein remain true and accurate in all material respects.

(c) Buyer shall promptly deliver to Seller any and all information regarding any event, circumstance, transaction, condition or other matter occurring subsequent to the date of this Agreement and on or prior to Closing Date that either (i) would cause any of Buyer's warranties or representations herein or in any document or instrument provided or to be provided in connection herewith to be untrue or incomplete in any material respect or (ii) would materially adversely affect or impair Buyer's ability to comply with its obligations hereunder.

15. Section Pre-Closing Covenants of Seller. Seller agrees to do and perform, or to cause the Company to do and perform, as the case may be, the following covenants and agreements pending Closing at Seller's sole cost and expense:

(a) Seller will preserve and maintain the corporate organization of the Company and keep it in good standing under all applicable law. The Company's business and affairs shall be conducted only in its ordinary course. The Company will not enter into any Contract outside the ordinary course of business.

(b) Company will not: (i) issue, sell or deliver any shares of its capital stock or other securities of any kind, or issue, sell or grant or agree to issue, sell or grant any options, warrants, subscriptions or other rights of any nature to purchase or receive any of the foregoing; (ii) sell, transfer, assign, exchange or otherwise dispose of any of the Assets; (iii) change the accounting methods, practices or principles previously followed by it or change the depreciation or amortization policies and rates previously used by it; (iv) acquire any assets or properties other than in the ordinary course of business; (v) enter into any material transaction or Contract without the prior consent of Buyer; (vi) voluntarily incur any liability of any nature other than for accounts payable incurred in the ordinary course of business that are to be paid on or before the due dates thereof; or (vii) agree to do or perform any of the foregoing.

(c) Company will not become a party to, nor bound by, nor shall any of the Assets become subject to, any of the following types of Contracts: (i) a Contract for the employment which cannot be terminated by Company at any time without penalty upon not more than thirty (30) days prior notice; (ii) a Contract with any present or former director, officer, employer or shareholder of Company or with any Affiliate of any such director, officer, employee or shareholder which can not be terminated by Company at any time without penalty upon not more than thirty (30) days prior notice; or (iii) a partnership or joint venture agreement, or a Contract to enter into a partnership or joint venture agreement.

(d) Company will timely file all tax returns and other reports required to be filed by it from and

after the date hereof and until the Closing with each applicable governmental entity and pay all taxes due and payable by Company to any such governmental entity. Without Buyer's consent, the Company will not sign any agreements or waivers extending the time of the assessment of any tax or tax deficiencies against Company beyond the Closing Date.

(e) Seller shall not: (i) sell, assign or transfer any of the Stock; (ii) suffer or permit any change in the ownership of the Company to occur; (iii) take any action that adversely affects the ability of Seller to consummate the Transaction in accordance with the terms of this Agreement; (iv) take any action, or allow any action to be taken, that would either interfere with or prejudice or defeat or impair the rights and remedies of Buyer under this Agreement; or (v) or agree to do any of the foregoing.

(f) The Company shall keep and maintain the Assets in normal operating repair and efficiency and in substantial and material accordance with all FCC rules and regulations and any other applicable governmental rules and regulations. Company shall conduct the business and affairs of the Station in accordance with past business practices.

(g) Seller shall not take any action, or allow any action to be taken, which would (i) cause any of Seller's representations and warranties made in this Agreement to be untrue or incomplete in any material respect at anytime prior to or at Closing or (ii) interfere with or delay the consummation of the Transaction. Seller will use its best efforts to ensure that the representations and warranties made by Seller herein remain true and accurate in all material respects.

(h) Seller shall promptly notify Buyer of (i) any and all information regarding events, facts, circumstances, transactions, conditions or other matters occurring or continuing subsequent to the date of this Agreement and on or prior to Closing that (1) have a adverse impact on, or could reasonably be

expected to have a adverse impact on, any of the representations and warranties made in this Agreement by Seller or (2) would cause any of Seller's representations and warranties made in this Agreement to be untrue or incomplete in any material respect either on the date hereof or at anytime prior to or at Closing or (3) would materially adversely affect or impair Seller's ability to comply with its obligations hereunder and (ii) the plans and intentions of Seller as to the resolution thereof. The disclosure to Buyer of any such events, facts, circumstances, transactions, conditions or other matters after the date hereof shall not operate as a waiver of or exception to the affected representation or warranty or any other provision of this Agreement.

(i) [Deleted]

(j) [Deleted]

(k) [Deleted]

(l) Company shall not be a party to any consolidation, merger or other corporate reorganization and shall not purchase the capital stock of or otherwise acquire any equity interest in any other entity.

(m) Neither Company nor Seller shall enter into any Contract containing any provision which would be violated or breached in any material respect by the performance of their respective obligations under this Agreement or under any instrument or document delivered or to be delivered by Seller and/or Company under this Agreement or in connection herewith.

(n) Company shall not permit any uninsured judgment or monetary penalty rendered against it in any judicial or administrative proceedings to remain unsatisfied for a period in excess of forty-five (45) days unless (i) such judgment or penalty is being contested in good faith by appropriate proceedings and execution upon such judgment has been stayed and (ii)

an appropriate reserve has been established and funded with respect thereto.

(o) Seller will cause Company to pay and discharge, and Company will pay and discharge, all liabilities of Company in the ordinary course, except those contested in good faith by Company.

(p) The Company will not grant, or permit any liens or encumbrances to attach, to any of the Assets other than liens previously granted in the ordinary course of business and which are listed on **Exhibit 15(p)** hereto. If any such liens and encumbrances attach without the written consent of Buyer, Seller shall, at its sole cost and expense, cause such liens and encumbrances to be removed at or prior to Closing.

(q) Company will collect its accounts receivable arising from the operations of the Station in the ordinary course of business and will not discount or settle any account receivable for less than full payment of the amount owed.

(r) [Deleted]

(s) [Deleted]

(t) [Deleted]

(u) [Deleted]

(v) No later than ^{pmf} 60 ^{N&D} (sixty) days prior to Closing, Buyer may obtain at Buyer's expense a Phase I Environmental Assessment Report (the "Phase I Report") for each separate item of real estate owned or operated by the Company, as Buyer shall determine.

16. Section [Deleted]

17. Section Conditions Precedent to Obligations of Buyer.
All obligations of Buyer under this Agreement are subject to the fulfillment at or prior to Closing of each of the following conditions unless waived in writing by Buyer. If Buyer shall elect not to close because of the failure of any of the

following conditions which Buyer will not waive in writing, then Buyer shall have the option (i) to cancel this Agreement or (ii) postpone Closing until such time as such condition has either been met or waived. The conditions precedent are as follows:

(a) Seller's representations and warranties contained in this Agreement shall (i) be deemed to have been made again and, as to the subject matter thereof, applicable at the Closing Date (in addition to the date of this Agreement) and (ii) then be true in all material respects to the same and full extent as though this Agreement were signed and delivered again at Closing.

(b) Seller shall have materially performed and complied with all agreements and conditions required by this Agreement to be performed or complied with prior to or at the Closing.

(c) Buyer shall have been furnished with a certificate of Seller dated the Closing Date certifying the fulfillment of the foregoing two conditions.

(d) Buyer shall not have discovered any material adverse error, misstatement, or omission in Seller's representations and warranties made in this Agreement that remain uncured at the time of Closing.

(e) Buyer shall have been furnished with an opinion, dated the Closing Date, of reputable and qualified legal counsel for Seller licensed to practice law in Maine substantially in the form of attached hereto as **Exhibit 17(e)**.

(f) Buyer shall have been furnished with an opinion, dated the Closing Date, of FCC legal counsel for Seller substantially in the form of attached hereto as **Exhibit 17(f)**.

(g) Buyer will have received from each and every third party who is a party to any Contract included within the Assets a letter (i) confirming that to the knowledge of the third party there are no defaults or other adverse conditions existing under such contract,

agreement, lease or other instrument and (ii) consenting to the change of control of the Company from Seller to Buyer to the extent consent is required under the terms of the Contract.

(h) Seller shall have executed and delivered to the Company a Bill of Sale and Assignment conveying any rights, titles or interests that Seller may have in and to any of the Assets in form and substance acceptable to Buyer.

(i) Seller shall have executed and delivered to the Company a general, full and unconditional release of any and all of Seller's claims and demands against the Company of any nature in form and substance acceptable to Buyer.

(j) Buyer shall have obtained the Phase I Reports as described in Section 15(v) and such reports shall conclude that no Environmental Condition is present on any real estate owned or operated by the Company.

(k) The minute books and stock transfer books of Company will have been brought current to reflect all corporate activity, business and formality for which corporate resolutions and other minute book entries are necessary, advisable or appropriate.

(l) Seller shall have furnished to Buyer a certified copy of the resolutions of the Board of Directors of the Company authorizing the execution, delivery and performance of this Agreement by the Company.

(m) At the Closing Company shall own the Assets which are listed on **Exhibit 1(a)**.

(n) At the Closing the Company shall not have any Liabilities to any individual or entity not listed on **Exhibit 1(c)** nor shall the Company have any Liabilities to any individual or entity listed on **Exhibit 1(c)** in an amount in excess of the amount shown on **Exhibit 1(c)**, except for liabilities incurred in the ordinary course of the operation of the Station.

- (o) [Deleted]
- (p) [Deleted]
- (q) [Deleted]
- (r) [Deleted]
- (s) [Deleted]
- (t) [Deleted]
- (u) [Deleted]
- (v) [Deleted]
- (w) [Deleted]
- (x) Final FCC Consent shall have been obtained.
- (y) Buyer shall have obtained adequate financing, as such is defined solely by Buyer, for its purchase of the Stock.
- (z) All other conditions to Buyer's obligation to close as set forth in this Agreement have been either met or waived by Buyer.

18. Section Conditions Precedent to Obligations of Seller.
All obligations of Seller under this Agreement are subject to the fulfillment at or prior to Closing of each of the following conditions unless waived in writing by Seller. If Seller shall elect not to close because of the failure of any of the following conditions which Seller will not waive in writing, then Seller shall have the option (i) to cancel this Agreement or (ii) postpone Closing until such time as such condition has either been met or waived. The conditions precedent are as follows:

- (a) Buyer's representations and warranties contained in this Agreement shall (i) be deemed to have been made again and, as to the subject matter thereof, applicable at the Closing Date (in addition to the date of this Agreement) and (ii) then be true in all

material respects to the same and full extent as though this Agreement were signed and delivered again at Closing.

(b) Buyer shall have materially performed and complied with all agreements and conditions required by this Agreement to be performed or complied with prior to or at Closing.

(c) Seller shall have been furnished with a Certificate of appropriate officers of Buyer, dated the Closing Date, certifying the fulfillment of the foregoing two conditions.

(d) Seller shall have not discovered any material adverse error, misstatement or omission in Buyer's warranties and representations made in this Agreement which have not been cured by the time of Closing.

(e) [Deleted]

(f) [Deleted]

(g) [Deleted]

(h) Final FCC Consent shall have been obtained.

(i) All other conditions to Seller's obligation to Close as set forth in the Agreement have either been met or waived by Seller.

19. Section Closing.

(a) The consummation of the Transaction (the "Closing") shall take place within ten (10) business days following Final FCC Consent. As used in this Agreement, the term "Closing Date" means the date on which Closing takes place.

(b) If Final FCC Consent shall have been obtained, but not all of the other conditions precedent to the obligations of Buyer to close as set forth in Section 17 hereof have been satisfied, then Buyer at its option may extend (and re-extend) the time for Closing in order for such unsatisfied conditions to be satisfied.

(c) If Final FCC Consent shall have been obtained, but not all of the other conditions precedent to the obligations of Seller to close as set forth in Section 18 hereof have been satisfied, then Seller at its option may extend (and re-extend) the time for Closing in order for such unsatisfied conditions to be satisfied.

(d) If the Closing shall not have occurred within the period described in Section 10(e) due to the failure of the FCC to consent to the Transfer Application or Final FCC Consent not having been obtained, then this Agreement shall be terminable by either Buyer (assuming Buyer is not in default under this Agreement) or Seller (assuming Seller is not in default under this Agreement) upon written notice to the other and after such termination there shall be no further obligations of any of the parties hereto.

(e) [Deleted]

20. Section Documents To Be Delivered by Seller at Closing. At the Closing Seller shall make the following deliveries to Buyer:

- (a) A true and correct copy, certified by Company's corporate Secretary, of resolutions duly adopted by the board of directors of the Company authorizing the execution, delivery and performance of this Agreement which approval shall be adequate under applicable law;
- (b) Seller's certificate required by Section 17(c);
- (c) Certificate of Existence and Good Standing for Company issued by the State of Maine within 30 days of the Closing;
- (d) Opinion of Seller's legal counsel as required by Section 17(e);
- (e) Opinion of Seller's FCC legal counsel as required by Section 17(f);
- (f) Stock Power duly executed and notarized conveying the Stock to Buyer;
- (g) Stock Certificate Nos. [] for _____ shares of stock of the Company issued in the name of Seller;

- (h) Resignation of all officers and directors of the Company effective immediately after the Closing;
- (i) [Deleted]
- (j) [Deleted]
- (k) [Deleted]
- (l) [Deleted]
- (m) Seller's Bill of Sale;
- (n) Seller's General Release;
- (o) The original complete minute book and stock transfer record of the Company;
- (p) Releases for all liens;
- (q) [Deleted]; and
- (r) Any other items required by this Agreement.

21. Section Documents To Be Delivered by Buyer at Closing.
At the Closing Buyer shall make the following deliveries to, or for the benefit of, Seller:

- (a) Payment of the Purchase Price as described in Section 4;
- (b) [Deleted]
- (c) [Deleted]
- (d) [Deleted]
- (e) [Deleted]
- (f) [Deleted].
- (g) Buyer's certificate required by Section 18(c);

- (h) Certificate of Existence and Good Standing for Buyer issued by the State of Maine within 30 days of the Closing;
- (i) [Deleted]
- (j) [Deleted]
- (k) Certified copy of the resolutions of the Board of Directors of Buyer authorizing the execution, delivery and performance of this Agreement by Buyer;
- (l) [Deleted]
- (m) [Deleted]
- (n) Any other items required by this Agreement.

22. Section Rights and Remedies If Closing Shall Not Occur.

(a) If (1) the Closing shall not take place due to either (i) the FCC refusing to consent to the transfer of control or (ii) the FCC consents to the transfer of control, but in Buyer's reasonable opinion, with condition(s) materially adverse to Buyer and (2) both Seller and Buyer shall have timely and fully met their obligations with respect to the filing and prosecution of the Transfer Application as set forth in Section 10, then (x) this Agreement shall terminate, and (y) there shall be no liability of any party hereto to any other party hereto as a result of such termination notwithstanding any breach or alleged breach of other provisions of this Agreement by any party that are not related to the filing and prosecution of the Transfer Application.

(b) If the Transaction is otherwise ready to close in accordance with the terms of this Agreement and all the conditions precedent to Buyer's obligation to close as set forth in this Agreement have been met and Buyer wrongfully fails to deliver the Purchase Price to Seller at Closing, then Buyer shall pay to Seller as liquidated damages and as Seller's sole and exclusive remedy the amount of \$5,000.

(c) If the Transaction is otherwise ready to close in accordance with the terms of this Agreement and all the conditions precedent to Seller's obligation to close have been met in accordance with the terms of this Agreement and Seller

wrongfully fails to deliver the Stock to Buyer at Closing, then Buyer may pursue its remedy of specific performance as set forth in Section 23 and may also take such other actions and seek such other remedies and relief as Buyer shall be entitled under all applicable law.

23. Section Specific Performance Granted to Buyer. Seller and Buyer hereby stipulate that the Station is a unique property licensed to operate by the FCC on one of a limited number of channels. Therefore, the remedy of specific performance of Seller's obligations under this Agreement is hereby expressly granted to Buyer by Seller. Buyer shall have the right to bring an action in a court of proper jurisdiction or, if Buyer shall so determine, an arbitration proceeding under Section 38, to compel to compel Seller to specifically perform its obligations arising under this Agreement.

24. Section Post Closing Covenants and Agreements of Seller and/or Buyer.

(a) From time to time on or after Closing, at the reasonable request of Buyer, and without further consideration, but without any cost to him, Seller will execute and deliver such instruments of conveyance and transfer and take such other action as Buyer may reasonably request to more effectively convey, transfer to and vest in Buyer, and to more effectively put Buyer in ownership, possession or control of the Station.

(b) The Purchase Price shall be allocated entirely to the Stock. Seller and Buyer agree to report the allocation of the Purchase Price for tax purposes.

25. Section Indemnification Etc. by Seller Without in any way limiting the warranties, representations or agreements contained herein, or the rights or remedies available to Buyer for the breach thereof, Seller hereby agrees to indemnify and hold Company and Buyer, and their respective successors, assigns, heirs, and administrators, free and harmless from and against, and to fully reimburse and compensate Company and/or Buyer, as the case may be, for any and all loss, liability, damage or expense (including reasonable attorneys' fees) arising from (i) the breach of any representations, warranties, agreements and covenants made herein (or under the provisions of any documents or instruments referred to herein, attached hereto

or delivered to Buyer at Closing or in connection with the Transaction generally) by Seller to Buyer, (ii) the operations of the Station prior to the Closing, (iii) for a period of five years after the Closing, any matters relating to the Company, the Station, the Assets, or the Stock relating to or arising out of the time prior to Closing, (iv) any Tax Liabilities of the Company which are based upon transactions, events or other matters occurring on or prior to Closing, (v) [Deleted] and (vi) any Environmental Condition existing on the Closing Date, provided, however, that such indemnification in connection with Subsection 25(iii) hereof shall not exceed \$450,000. This Section will apply to claims of indemnification made against Seller by Buyer or Company based upon claims made against Buyer or Company by third parties. This Section will also apply to claims made by Buyer or Company directly against Seller not involving any third party claim against Buyer and/or Company. The Buyer shall have the right to assign to the Company the Buyer's claims against the Seller. The Company shall have the right to assign to the Buyer the Company's claims against the Seller.

26. Section Indemnification Etc. by Company and Buyer. Without in any way limiting the warranties, representations or agreements contained herein, or the rights or remedies available to Seller for the breach thereof, Company hereby agrees to indemnify and hold Seller, and its heirs and administrators, free and harmless from and against, and to fully reimburse and compensate Seller for any and all loss, liability, damage or expense (including reasonable attorneys' fees) arising from (i) the breach of any representations, warranties, agreements and covenants made herein (or under the provisions of any documents or instruments referred to herein, attached hereto or delivered to Seller in connection with the Transaction) by Buyer or Company to Seller and (ii) the operations of the Company and the Station after Closing. This Section will apply to claims of indemnification made against Buyer or Company by Seller based upon claims made against Seller by third parties. This Section will also apply to claims made by Seller directly against Buyer or Company not involving any third party claim against Seller.

27. Section Third Party Claims. In the event of third party claims giving rise to a claim for indemnification under this Agreement, then the party seeking indemnification ("Indemnified Party") shall notify the other party

("Indemnifying Party") in writing as soon as practicable but in no event later than fifteen (15) days after receipt of such claims. The Indemnified Party's failure to give 15 day's notice shall not preclude it from seeking indemnification hereunder unless such failure has materially prejudiced the Indemnifying Party's ability to defend such a claim. The Indemnifying Party shall promptly defend such claim by counsel of its own choosing. ~~The Indemnified Party shall cooperate with the Indemnifying Party in the defense of such claim.~~ The Indemnifying Party shall copy the Indemnified Party with all correspondence, pleadings, memorandum and other such matters and otherwise keep the Indemnified Party fully informed regarding the defense of such claim. The Indemnifying Party may settle the claim on such terms as the Indemnifying Party and the claimant may agree with the Indemnifying Party being responsible for all costs and expenses of such settlement; provided that (i) if there is a reasonable probability that a claim may materially and adversely affect the Indemnified Party, the Indemnified Party shall have the right, at its own cost and expense, to defend, compromise or settle such claim against it, (ii) if the facts giving rise to indemnification hereunder shall involve a possible claim by the Indemnified Party against a third party, the Indemnified Party shall have the right, at its own cost and expense, to undertake the prosecution, compromise and settlement of such claim; and (iii) the Indemnifying Party will not, without the Indemnified Party's written consent, settle or compromise any claim or consent to any entry of judgment (a) which does not include as an unconditional term thereof the giving by the claimant or the plaintiff to the Indemnified Party of a release from all liability in respect to such claim and (b) which includes any provision which requires the Indemnified Party to pay any money or render any other performance. If the Indemnifying Party, within a reasonable time after notice of a claim, fails to defend the Indemnified Party, then the Indemnified Party shall be entitled to undertake the defense, compromise or settlement of such claim at the expense of and for the account and risk of the Indemnifying Party.

28. Section [Deleted]

29. Section Expenses of Transaction. The parties shall be obligated for their own respective costs and expenses related to this Agreement and the transactions hereunder, and no party shall be obligated for such costs and expenses of any other

party. Seller and Buyer shall share equally any real estate transfer taxes. Each party will be solely responsible for the expenses incurred by it in the preparation, filing and prosecution of the Transfer Application; provided that, all fees paid to the FCC in connection with the transfer of control of the FCC Licenses from Seller to Buyer will be shared equally by Seller and Buyer.

30. Section Brokers. Seller warrants to Buyer that it knows of no other broker claiming by, through or under Seller and Seller will indemnify Buyer against all claims and demands made by any broker claiming by, through or under Seller. Buyer warrants to Seller that it knows of no broker claiming by, through or under Buyer and Buyer will indemnify Seller against all claims and demands made by any broker claiming by, through or under Buyer. For purposes of this Agreement the term "broker" shall mean any person or entity other than Seller collecting any fee or commission as a result of the closing of the Transaction.

31. Section Publicity. Seller and Buyer shall consult with each other in good faith with regard to all press releases and other publicity issued at or prior to the Closing concerning this Agreement or the Transaction and, except as may be required by applicable laws or the applicable rules and regulations of any governmental agency, neither Buyer nor Seller shall issue any such press release or other publicity concerning these matters without the prior written consent of the other party.

32. Section Notices. All notices or other communications ("notices") required or permitted by this Agreement shall be sufficiently given if in writing and (i) delivered personally by any nationally recognized courier service, (ii) mailed by registered or certified U.S. mail, return receipt requested, first class postage prepaid, or (iii) sent by facsimile transmission (FAX) with an accompanying telephone call to the person being noticed and with a confirmation copy being sent by overnight courier. All notices shall be deemed to have been given either (a) if personally delivered, then at the time of actual delivery thereof to any person entitled to receive such notice or officer or employee thereof, (b) if mailed, then at the completion of the third full business day following the mailing thereof or (c) if faxed, then upon the successful completion of the FAX transmission and the accompanying

telephone call. For purposes of this Agreement, the following addresses and telephone and FAX numbers shall be used:

Seller:

Marc Fisher, 460 Mosher Hill Road; telephone 242-0624;
FAX _____; Farmington, ME 04938

With a copy (which shall not constitute notice) to: Margot
Joly, Esq. _____; telephone _____; FAX _____;

Nelson Doak, 134 Maple Avenue; telephone 778-6992; FAX
_____; Farmington, ME 04938

With a copy (which shall not constitute notice) to: Margot
Joly, Esq. _____; telephone _____; FAX _____;

Company:

Franklin Broadcasting Corporation, _____,
Attention: _____; telephone _____; FAX _____;

With a copy (which shall not constitute notice) to: Margot
Joly, Esq. _____; telephone _____; FAX _____;

Buyer:

Clearwater Communications, Inc., _____,
Attention: _____; telephone _____; FAX
_____;

With a copy (which shall not constitute notice) to:
Ann Bavender, Esq., Fletcher, Heald & Hildreth,
P.L.C., 1300 N. 17th Street, 11th Floor, Arlington,
Virginia 22209; telephone 703-812-0438; FAX 703-812-
0486;

Any of the above addresses and numbers may be changed by written notice delivered to the other parties in the same manner as described in this Section. If any notification, communication or action is required or permitted to be given or taken within a certain period of time and the last date for doing so falls on a Saturday, Sunday, a federal legal holiday or legal holiday by law in the State of Maine, the last day for such notification, communication or action shall be extended to the first date thereafter that is not a Saturday, Sunday or such legal holiday.

33. Section Assignment. This Agreement shall be assignable by Buyer upon advance written notice delivered to Seller. Such assignee hereof shall become the "Buyer" for the purposes of this Agreement and shall assume all of the duties, responsibilities and obligations of Buyer arising hereunder or otherwise in connection with this Agreement and the Transaction.

34. Section Buyer's Consent. Seller and Buyer agree that whenever any event, condition or transaction occurs or has occurred of which Seller is required to give notice to Buyer pursuant to this Agreement, that the consent of Buyer thereto shall not be deemed an assumption of any liability, responsibility or duty relating the subject matter of the consent unless Buyer expressly agrees to an assumption at that time. Furthermore, Buyer will not be deemed to have consented to any event, condition or transaction unless such consent shall be in writing and which may state the terms and conditions upon which the consent is being made.

35. Section Attorney's Fees. If any party to this Agreement shall ever be required to file a law suit or institute other legal action against any other party hereto based upon this Agreement or the Transaction, then the prevailing party shall be entitled to recover reasonable attorney's fees and court costs incurred with respect to such law suit or other legal action from the non-prevailing party.

36. Section Construction. The section headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. All Exhibits, Schedules and Annexes attached hereto are hereby incorporated herein for all purposes.

37. Section Parties in Interest. This Agreement shall inure to the benefit of and be binding upon the parties named herein and their respective successors and assigns. No term or provision of this Agreement is intended to confer, or confers, upon any person not a party to this Agreement any rights or remedies under or by reason of this Agreement. THERE ARE NO THIRD PARTY BENEFICIARIES OF THIS AGREEMENT.

38. Section Arbitration. Except as provided in Section 23 hereof, any controversy, dispute or claim arising out of or in connection with or relating to this Agreement, the Transaction

and any document and instrument delivered in connection therewith (the "Transaction Documents") or the breach, termination or validity thereof or any transaction contemplated hereby or thereby (any such controversy, dispute or claim being referred to as a "Dispute") shall be finally settled by arbitration conducted expeditiously in accordance with the Commercial Arbitration Rules then in force (the "AAA Rules") of the American Arbitration Association (the "AAA"). There shall be a panel of three arbitrators which shall be constituted pursuant to AAA procedure within fifteen (15) business days of receipt of the demand for arbitration by the respondent(s) in any such proceeding. Each of the arbitrators shall be an attorney with no less than fifteen (15) years' experience in the practice of business law (preferably with experience in the acquisition and financing of communications businesses). The situs for an arbitration pursuant to this Section shall be

1D MF Maine 3. A final award shall be rendered as soon as reasonably possible and, in any event, within ninety (90) days of the filing with AAA any demand for arbitration; provided, however, that if the arbitrators determine by majority vote that fairness so requires, such ninety (90) day period may be extended by no more than sixty (60) additional days. The parties agree that the arbitrators shall have the right and power to shorten the length of any notice periods or other time periods provided in the AAA Rules and to implement expedited procedures under the AAA Rules in order to ensure that the arbitration process is completed within the time frames provided herein. The arbitration decision or award shall be reasoned and in writing. Judgment on the decision or award rendered by the arbitrators may be entered and specifically enforced in any court having jurisdiction thereof. Notwithstanding the provisions of this Section, any arbitration held pursuant to the provisions of the Section shall be governed by the Federal Arbitration Act. All arbitrations commenced pursuant to this Agreement shall be consolidated and heard by the initially constituted panel of arbitrators. The arbitrators are hereby authorized to allocate the attorney's fees and costs of arbitration between the parties based upon the arbitrators' assessment of the relative merits of the parties' positions, any other factors the arbitrators shall deem applicable and in the interest of achieving an equitable result.

39. Section Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, AND ENFORCEABLE UNDER, THE LAWS OF THE STATE OF MAINE.

40. Section Consent to Jurisdiction. EACH OF THE PARTIES TO THIS AGREEMENT HEREBY CONSENTS TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF MAINE AND THE UNITED STATES DISTRICT COURT HAVING JURISDICTION IN MAINE, AS WELL AS TO THE JURISDICTION OF ALL COURTS TO WHICH AN APPEAL MAY BE TAKEN FROM SUCH COURTS, FOR THE PURPOSE OF ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF ANY OF ITS OBLIGATIONS ARISING HEREUNDER OR UNDER OR IN CONNECTION WITH THE OTHER TRANSACTION DOCUMENTS OR WITH RESPECT TO THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY, INCLUDING, WITHOUT LIMITATION, ANY PROCEEDING RELATING TO ANCILLARY MEASURES IN AID OF ARBITRATION, PROVISIONAL REMEDIES AND INTERIM RELIEF, OR ANY PROCEEDING TO ENFORCE ANY ARBITRAL DECISION OR AWARD. EACH OF THE PARTIES TO THIS AGREEMENT EXPRESSLY WAIVES ANY AND ALL OBJECTIONS HE OR IT MAY HAVE AS TO VENUE, INCLUDING, WITHOUT LIMITATION, THE INCONVENIENCE OF SUCH FORUM, IN ANY OF SUCH COURTS. IN ADDITION, EACH OF THE PARTIES TO THIS AGREEMENT CONSENTS TO THE SERVICE OF PROCESS BY PERSONAL SERVICE OR U.S. CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED, ADDRESSED TO SUCH PARTY AT THE ADDRESS PROVIDED HEREIN.

41. Section Waiver of Jury Trial. WITHOUT LIMITATION OF THE PROVISIONS OF SECTION 38, EACH OF THE PARTIES TO THIS AGREEMENT HEREBY VOLUNTARILY AND IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION BROUGHT ON OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENTS OR OTHER AGREEMENTS, DOCUMENTS AND INSTRUMENTS EXECUTED IN CONNECTION HERewith.

42. Section Merger Clause. This Agreement represents the entire agreement of the parties hereto and supersedes all prior agreements, understandings, letters of intent and negotiations concerning the subject matter hereof.

43. Section Counterparts. This Agreement shall be executed in multiple counterparts, each of which shall be deemed an original of this Agreement.

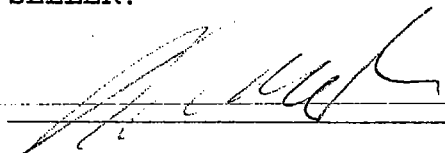
44. Section Miscellaneous. This Agreement shall not be amended except pursuant to a written instrument executed by all

of the parties hereto. If any provision of this Agreement, or the application of any such provision to any person or circumstance, shall be held invalid by a court of competent jurisdiction, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those as to which the Agreement is held invalid, shall not be affected thereby. No modification or waiver of any provision of this Agreement shall be effective unless in writing and signed by the party against whom such modification or waiver is asserted, and no failure to exercise any right, power or privilege hereunder shall operate to restrict the exercise of the same right, power or privilege upon any other occasion or to restrict the exercise of any other right, power or privilege upon the same or any other occasion. Except as otherwise provided herein, the rights and remedies of the parties hereto are cumulative and are not exclusive of any right or remedies which they may otherwise have.

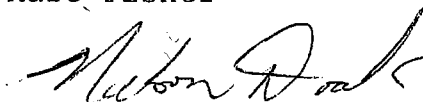
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IN WITNESS WHEREOF, the undersigned parties, have duly executed this Agreement as of the date first above written.

SELLER:



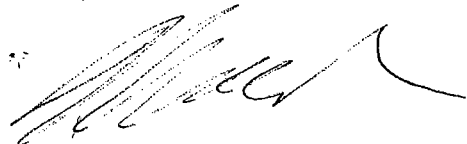
Marc Fisher



Nelson Doak

COMPANY:

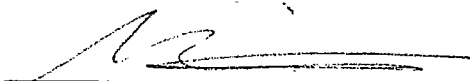
FRANKLIN BROADCASTING CORPORATION

By: 

Its: President

BUYER:

CLEARWATER COMMUNICATIONS, INC.



MARK HILTON

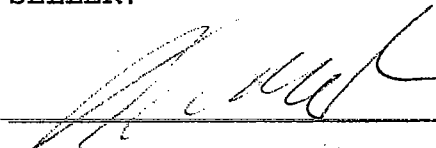
Secretary / Treasurer

By:

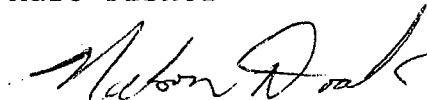
Its:

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

SELLER:



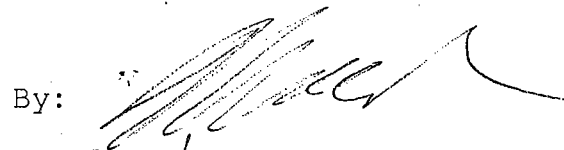
Marc Fisher



Nelson Doak

COMPANY:

FRANKLIN BROADCASTING CORPORATION

By: 

Its: President

BUYER:

CLEARWATER COMMUNICATIONS, INC.

By:

Its:

ANNEX 6(a)

Assignment & Assumption

See Attached

Exhibit 1(a)
List of the Assets

45. Governmental Authorizations. All of the licenses, permits, construction permits and authorizations of any nature ~~whatsoever issued to the Company and granted or written by~~ the federal government, any state government or any local government or any instrumentality or agency thereof including, but not limited to, the FCC and the FAA, that pertain or relate to WKTJ-FM, including all FCC Licenses, together with all applications for any of the foregoing which pertain to or relate to WKTJ-FM, including, but not limited to, those set forth on [Schedule 1(a)-1] attached hereto.
46. Tangible Equipment. All broadcasting, studio, and transmitting equipment set forth on [Schedule 1(a)-2] attached hereto and all replacements and substitutions for such equipment.
47. Contracts. All of Seller's rights, titles and interests arising under or by reason of Contracts that pertain to WKTJ-FM.
48. Intangibles. All intangible personal property owned by Company and used or usable by it in connection with WKTJ-FM. WKTJ-FM's public file.
49. Business and Technical Data. All of Company's schematics, blueprints, engineering data, other technical information pertaining to WKTJ-FM. All of Company's business records and files of any nature or description and wherever located pertaining to WKTJ-FM and/or including, but not limited to, reports filed with governmental entities, originals, if available, of written Contracts and memorandums of verbal Contracts.
50. Additional Assets. Any additional intangible assets, rights, titles or interests (including replacements and substitutions of items listed in the preceding subparagraphs) of the Company which are used or usable in

connection with WKTJ-FM if and to the extent Company shall acquire or receive any of same after the date hereof.

51. Residual Property. Any and all other intangible assets, rights, titles and interests of any nature relating to WKTJ-FM and/or the Upgrade Process even though such property, right, title and interest may not be specifically described elsewhere in this Agreement or on any of the Exhibits attached hereto.

Other Assets

52. Company's Corporate Records. All corporate records of the Company including, but not limited to, minute books, stock books, cancelled stock certificates, unused stock certificates, the originals of the Articles of Incorporation and all amendments thereto, the by-laws and all amendments thereto, the minutes of all meetings of its shareholders and of its directors, all resolutions adopted by shareholders and its directors, all written consents executed by its shareholders and its directors.

53. Company's Tax Records. All tax and tax related records of the Company including, but not limited to, tax returns, work papers and correspondence, notices and communications with taxing authorities.

54. Cash. Cash in banks and other financial institutions.

55. Accounts receivable. Accounts receivable attributable to sales of commercial air time on WKTJ-FM (the "Receivables") shall be part of the Assets.

Exhibit 1(c)
Liabilities of the Company

1. As shown on **Exhibit 11(g)**
2. There are no other liabilities.
3. A promissory note, dated _____, payable to _____ does not by its terms permit prepayment. Seller will use its best efforts to persuade the holder of the note to accept prepayment of the note in full prior to or on the Closing, but, if Seller is unable to do so, the note will not be paid in full on or prior to the Closing.

Distributable Liabilities

1. All Liabilities of the Company other than for those liabilities of the Company which arise from and after Closing under Upgrade Contracts which are a part of the Retained Assets.

Exhibit 11
Schedule of Exceptions to Warranties

Exhibit 11(g)
Balance Sheet

[See attached.]

Exhibit 15(p)
Liens Against The Assets

Exhibit 17(e)
Text of Local Law Opinion

(1) The Agreement has been duly executed and delivered by Seller and constitutes the valid, binding and enforceable obligation of Seller in accordance with its terms.

(2) All other actions and proceedings required by law or the Agreement to be taken by Seller at or prior to the Closing in connection with the Agreement and the Transaction been duly and validly taken.

(3) Except as may be specified by such counsel, he or she does not know of any litigation, proceeding or government investigation pending or threatened against or relating to Seller, the Assets, or to the Transaction, and any legal impediment to the continued operation of the Station in the ordinary course.

(4) That such counsel knows of no creditor, claimant or other person claiming any interest or making any demand against the Assets that will not be released at Closing. /

(5) Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Maine and has all requisite power and authority to own or hold the assets and properties now owned or held by it and to carry on its business as it is presently being conducted. Company is not licensed or qualified to do business in any jurisdictions other than the State of Maine and neither the activities carried on nor the assets or properties held or owned by Company are such as to require Company to be licensed or qualified in any other jurisdictions.

(6) The total number of shares of stock which Company is authorized to issue, all classes, is _____ shares of stock, having a par value of _____ Dollars (\$____.00) per share. Only _____ shares of the authorized shares of stock are validly issued and outstanding and fully paid and non-assessable. Seller owns all of the Stock. There are no other stockholders in the Company other than Seller. The shares of stock owned by Seller constitutes 100% of all the issued and outstanding shares of stock of the Company. Except for the rights of Buyer under the

Agreement, there are no outstanding puts, calls, options, warrants, agreements, understandings, subscription agreements or other rights to subscribe for, purchase or receive any securities of Company including, but not limited to, any of the shares of stock of the Company.

(7) Seller owns and has good and marketable title to the ~~Stock, free and clear of all liens, pledges, encumbrances,~~ security interests and claims of any Persons. Seller has full legal right, power and authority to sell, assign and transfer the entire legal and beneficial interest in the Stock to Buyer pursuant to this Agreement. Seller is not a party to any outstanding agreements with any Person other than Buyer for transfer or sale, directly or indirectly, of any of the Stock. Seller has disclosed to Buyer all liabilities or potential liabilities of Seller which have, or could have, an adverse impact on, or otherwise create, or could create, a lien, claim or interest in, the Stock to be acquired by Buyer pursuant to the Agreement.

(8) The minute books of Company contain the originals of the Articles of Incorporation and all amendments thereto, the by-laws and all amendments thereto, the minutes of all meetings of its shareholders and of its directors, all resolutions adopted by shareholders and its directors, all written consents executed by its shareholders and its directors. The stock books of Company contain complete and accurate records of all issuances and transfers of its stock, all classes, and all cancelled and unused stock certificates.

Exhibit 17(f)
Text of FCC Legal Opinion

(1) Exhibit "A" to the legal opinion completely lists all of the licenses, permits and authorizations granted by the FCC to Company (collectively, the "FCC Licenses") in connection with the ownership and operation of the Station. The FCC Licenses ~~are in full force and effect and, to such counsel's knowledge,~~ constitute the only licenses, permits, and authorizations of the FCC required for the licensed broadcast operations of the Station, and constitute all the licenses and permits necessary for WKTJ-FM to operate in the manner it currently operates. The FCC Licenses are issued in the name of and validly held by Company. The FCC Licenses are not subject to any conditions outside the ordinary course.

(3) [Deleted]

(4) The most recent renewal of the FCC Licenses was granted by the FCC in the ordinary course.

(5) The FCC has granted its consent to the transfer of control of Company to Buyer without the imposition of conditions outside the ordinary course and such FCC consent is in full force and effect and the time within which any party in interest (other than the FCC) may seek administrative or judicial review has expired and no such petition for reconsideration was timely filed with the FCC or with the appropriate court. The time within which the FCC may review the consent on its own motion has expired and the FCC has not undertaken such review.

(6) To such counsel's knowledge, there is no judgment, decree, or order that has been issued by the FCC against Seller or concerning the Station or the FCC Licenses, other than FCC orders affecting the radio station industry in general. To such counsel's knowledge, there is no action, proceeding, investigation, notice of apparent liability or order of forfeiture pending or outstanding or, to such counsel's knowledge, threatened by the FCC against Seller or concerning the Station or the FCC Licenses.

(7) After such counsel's review of the records on file with the FCC, and to the best of such counsel's knowledge, there is no complaint or proceeding pending before the FCC relating to

actions by (or omissions of) Seller as a result of which an investigation, notice of apparent liability, order of forfeiture or other FCC order or decision could issue from the FCC affecting the right of Seller to hold any of the FCC Licenses or to operate the Station.