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## JOINT SALES AND SHARED SERVICES AGREEMENT

This **JOINT SALES AND SHARED SERVICES AGREEMENT** (this "Agreement") is dated as of July \_\_, 2008, by and between KBMY/KMCY, LLC, a North Dakota limited liability company ("Licensee"), and REITEN TELEVISION, INC., a North Dakota corporation ("Sales Agent").

### RECITALS

- A. Licensee owns and operates Television Stations KBMY(TV), Bismarck, North Dakota ("KBMY"), and KMCY(TV), Minot, North Dakota ("KMCY" and, collectively with KBMY, the "Stations"), pursuant to authorizations issued to Licensee by the Federal Communications Commission ("FCC");
- B. Sales Agent owns and operates Television Stations KXMC-TV, Minot, North Dakota ("KXMC"), and KXMB-TV, Bismarck, North Dakota ("KXMB"), pursuant to authorizations issued by the FCC;
- C. In order to support and promote the economic viability and development of the Stations, Licensee desires to retain Sales Agent to sell advertising on the Stations and to provide related sales services to Licensee with respect to the Stations, and to utilize certain facilities of Sales Agent, in each case in conformity with all rules, regulations, and policies of the FCC; and
- E. It is the parties' expectation that Sales Agent, with its experience and operating infrastructure, will improve the overall efficiency of the Stations' sales and related operating processes and reduce costs, thereby helping to ensure that the Stations remain viable alternatives for both television viewers and advertisers.

### AGREEMENTS

In consideration of the above recitals and of the mutual agreements and covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, Licensee and Sales Agent, intending to be bound legally, agree as follows:

#### SECTION 1. DEFINITIONS

1.1 Terms Defined in this Section. The following terms, as used in this Agreement, shall have the meanings set forth in this Section:

"Affiliate" means, with respect to any person, any other Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such person.

"Commencement Date" means July 1, 2008.

"Communications Law" means the Communications Act of 1934, as amended, any successor statute thereto, and all rules, regulations and published policies of the FCC promulgated thereunder.

"Market" means the Minot-Bismarck-Dickinson, North Dakota Designated Market Area.

"Person" means any person, employee, trust, individual, corporation, association, partnership, joint venture, limited liability company or other entity or organization, including a government or regulating authority or body.

"To the best of Licensee's knowledge" and similar phrases mean, with respect to Licensee, the actual knowledge, after reasonable inquiry, of Mark Prather, the General Manager of the Stations.

"To the best of Sales Agent's knowledge" and similar phrases mean, with respect to Sales Agent, the actual knowledge, after reasonable inquiry, of Tim Reiten, the President of Sales Agent

1.2 Additional Defined Terms. In addition to the defined terms in the preamble, recitals and Section 1.1 hereof, the following is a list of terms used in this Agreement and a reference to the section or schedule hereof in which such term is defined:

Term	Section/Schedule
Advertisements	Section 4.1
Broadcast Material	Section 4.4
Excluded Services	Section 4.3
Initial Term	Section 2.1(a)
Licensee Accounts Receivable	Section 4.7
Licensee Revenue Share	Schedule 3.1
Licensee's Expense Schedule	Schedule 3.1
Net Sales Revenue	Schedule 3.1
Policy Statement	Section 4.4
PSAs	Section 4.5
Ratings Agencies	Section 5.1(l)
Reimbursable Station Expenses	Schedule 3.1
Sales Agent Revenue Share	Schedule 3.1
Stations Broadcast Cash Flow	Schedule 3.1
Studio Building and Studio Buildings	Section 4.2(a)(i)
Trade Agreements	Section 4.6
Transmitters	Section 4.2(b)(vii)
Transmitter Payments	Section 4.2(b)(vii)

## SECTION 2. TERM

### 2.1 Term.

(a) Initial Term. The initial term of this Agreement shall be from the date hereof until the date that is eight (8) years after the Commencement Date (the "Initial Term"), unless terminated in accordance with Section 2.2 below.

(b) Renewal Term. This Agreement may be renewed by Licensee for an additional term of two (2) years commencing on the day following the expiration of the Initial Term upon

written notice provided by Licensee to Sales Agent no later than sixty (60) days prior to the expiration of the Initial Term.

## 2.2 Termination.

(a) Mutual Agreement. This Agreement may be terminated at any time by mutual agreement of the parties.

(b) Termination by Licensee or Sales Agent. This Agreement may be terminated by Licensee or Sales Agent, by written notice to the other, upon the occurrence of any of the following events:

(i) this Agreement has been declared invalid or illegal in whole or substantial part by an order or decree of an administrative agency or court of competent jurisdiction which is not subject to appeal or further administrative or judicial review, and the parties, acting in good faith, are unable to agree upon a reform of this Agreement so as to cause this Agreement to comply with applicable law; or

(ii) there has been a change in the Communications Law that causes this Agreement in whole or substantial part its entirety to be in violation thereof and the applicability of such change is not subject to appeal or further administrative review; and the parties, acting in good faith, are unable to agree upon a reform of the Agreement so as to cause the Agreement to comply with applicable law; or

(iii) for any reason, by a party not in breach of this Agreement, upon one year prior written notice to the other party.

(c) Termination by Sales Agent. This Agreement may be terminated by Sales Agent, by written notice to Licensee, upon the occurrence of any of the following events:

(i) if Sales Agent is not then in material breach and Licensee is in material breach under this Agreement and Licensee has failed to cure such breach within thirty (30) days after receiving written notice of breach from Sales Agent;

(ii) if Licensee or any Affiliate of Licensee makes a general assignment for the benefit of creditors, files, or has filed against it a petition for bankruptcy, reorganization or an arrangement for the benefit of creditors, or for the appointment of a receiver, trustee, or similar creditor's representative for the property or assets of Licensee or any Affiliate of Licensee under any federal or state insolvency law which, if filed against Licensee or any Affiliate of Licensee, has not been dismissed within                      days thereof; or

(iii) if the Station's network affiliation agreement expires or is terminated, or any material contract expires or is terminated, and in either case the expired or terminated agreement is not replaced with an equivalent contract.

(d) Termination by Licensee. This Agreement may be terminated by Licensee, by written notice to Sales Agent, upon the occurrence of any of the following events:

(i) if Licensee is not then in material breach and Sales Agent is in material breach under this Agreement and Sales Agent has failed to cure such breach within \_\_\_\_\_ days after receiving written notice of breach from Licensee; or

(ii) if Sales Agent or any Affiliate of Sales Agent makes a general assignment for the benefit of creditors, files, or has filed against it a petition for bankruptcy, reorganization or an arrangement for the benefit of creditors, or for the appointment of a receiver, trustee, or similar creditor's representative for the property or assets of Sales Agent or any Affiliate of Sales Agent under any federal or state insolvency law which, if filed against Sales Agent or any Affiliate of Sales Agent, has not been dismissed within \_\_\_\_\_ days thereof.

2.3 Certain Matters Upon Expiration or Termination. No expiration or termination of this Agreement shall terminate the obligations of either party hereto, including, without limitation, the obligation to indemnify the other under Section 8 of this Agreement, or limit or impair either party's rights to receive payments due and owing hereunder on or before the effective date of such expiration or termination.

### **SECTION 3. CONSIDERATION**

As consideration for the right of Sales Agent to market and sell air time made available under this Agreement, Licensee shall retain from the Stations' revenue the amounts set forth in Schedule 3.1 hereto, and Sales Agent shall provide services to Licensee as set forth in this Agreement.

### **SECTION 4. SCOPE OF SERVICES**

4.1 Sales and Related Services. Except as expressly provided to the contrary herein, Licensee retain Sales Agent on an exclusive basis for the Initial Term and any renewal term of this Agreement to market and sell, from and after the Commencement Date, all forms of regional and local spot advertising, sponsorships, and direct response advertising broadcast on the Stations (the "Advertisements"), and to collect the accounts receivable with respect to the Advertisements. Licensee shall provide to Sales Agent and its employees such information as Sales Agent may reasonably request to support the marketing and sale of the Advertisements and the collection of accounts receivable with respect thereto. National spot advertising broadcast on the Stations shall continue to be sold by the Stations' existing national rep firm or such other firm as may be selected by Licensee, and Licensee shall continue to be responsible for the promotion of the Stations and for the Stations' traffic, continuity, insertion and billing functions for the Advertisements. Sales Agent shall designate an adequate number of its personnel to perform such services for the Stations. Sales Agent shall conduct the marketing and sales functions for the Stations in accordance with standard practice in the industry. Sales Agent and Licensee shall periodically review the personnel needs and job functions of the persons designated by Sales Agent to perform its obligations under this Agreement and implement such changes as they mutually agree are appropriate. Revenues from the sale of the Advertisements shall be allocated between Sales Agent and Licensee as set forth in Schedule 3.1. Sales Agent may sell the Advertisements in

combination with any other broadcast stations of its choosing; *provided, however*, that under no circumstances will advertisers be required to purchase time on the Stations and any other broadcast station owned or controlled by Sales Agent or with respect to which Sales Agent is authorized to sell advertising time. Subject to Section 4.4, the placement, duration and rates of the Advertisements shall be determined by Sales Agent. The value of commercial time bartered in exchange for programming shall be excluded from the definition of Net Sales Revenue.

4.2 Shared Services. From and after the Commencement Date, Sales Agent shall provide to Licensee the following additional facilities, equipment and services to support the operation of the Stations, subject to Licensee's right to modify, upon reasonable prior notice to Sales Agent, any such service, *provided* that no such modification shall expand in any material respect the obligations of Sales Agent, or require Sales Agent to incur any material additional obligation or liability, hereunder:

(a) Office and Studio Space.

(i) Sales Agent shall provide to Licensee's employees and agents the right to access and use sufficient office space, including furnishings and office equipment, in the studio facilities used by Sales Agent for KXMC and KXMB (individually, a "Studio Building" and collectively, the "Studio Buildings"), for the Stations' main studio operations, including sufficient space to permit Licensee to maintain and make available to the public the Stations' public inspection files in accordance with applicable requirements of the Communications Law, at such locations in or near the Studio Buildings, in each case as may be mutually acceptable to Licensee and Sales Agent and as Licensee reasonably requires for the conduct of the business of the Stations as contemplated by the terms hereof and in accordance with applicable requirements of the FCC, so long as the provision of such space and the use of such equipment do not unreasonably interfere with the conduct of Sales Agent's business or operations.

(ii) Sales Agent shall give Licensee and its agents a nonexclusive and unrestricted right of access to the Studio Buildings at all times, subject only to Sales Agent's reasonable security procedures applicable to its own employees, for the purpose of fulfilling Licensee's obligations as an FCC licensee. The right granted under this Section shall include the incidental benefit and reasonable right of use of utilities (heat, water, electricity) provided for purposes of Sales Agent's own operations. Sales Agent shall provide separate, lockable office facilities for use by Licensee's general manager or other managerial employee(s) and shall permit Licensee to install appropriate signs on the inside and outside of the Studio Buildings (consistent with applicable local requirements or agreements, if any, governing such signage and with the overall appearance of the Studio Buildings) identifying Licensee as the owner and licensee of the Stations.

(iii) At the expiration or termination of this Agreement, Licensee shall have a transition period of not less than \_\_\_\_\_ months following such expiration or termination to remove Licensee's operations, equipment and records from the Studio Buildings. During such transition period, Licensee shall have access to the Studio Buildings in the same manner as during the Initial Term or any renewal term of this Agreement. Such transition period may be extended upon such terms and conditions as may be mutually agreeable to the parties.

(b) Technical Services.

(i) Upon Licensee's request, Sales Agent shall perform monitoring and maintenance of the Stations' technical equipment and facilities and shall assist Licensee with the installation, repair, maintenance and replacement of the Stations' equipment and facilities; *provided, however*, subject to reimbursement to the extent provided in Schedule 3.1, Licensee shall be responsible for all of the Stations' capital and equipment replacement expenditures.

(ii) Upon Licensee's request, Sales Agent shall make available to Licensee, on an independent contractor basis, a staff engineer employed by Sales Agent to assist the Licensee's Chief Operators for the Stations in fulfilling their duties as specified by the rules and regulations of the FCC:

(iii) Sales Agent shall make available to Licensee sufficient capacity on Sales Agent's existing analog Studio Transmitter Link for the transmission of programming to be broadcast on KBMY from Sales Agent's Studio Building in Bismarck to the KBMY transmitter site in St. Anthony, North Dakota.

(iv) Sales Agent shall make available to Licensee sufficient capacity on Sales Agent's existing digital Studio Transmitter Link for the transmission of programming to be broadcast on KBMY from Sales Agent's Studio Building in Bismarck to Sales Agent's transmitter site in St. Anthony, North Dakota.

(v) Sales Agent shall make available to Licensee on or before June 30, 2008, sufficient space and facilities at Sales Agent's Studio Building in Bismarck for the installation and operation of an interim KBMY digital television transmitter and transmitting antenna on digital channel 16 until such time as Licensee can relocate such facilities to the KBMY transmitter site in St. Anthony, North Dakota.

(vi) Sales Agent shall arrange for the direct distribution of the Stations' signals to Midcontinent Communications, Echostar and such other multi-channel video program distributors as currently or may in the future retransmit the Stations' signals to their respective subscribers.

(vii) Licensee shall purchase from Sales Agent on an installment basis two 1.8kW Harris Diamond transmitters for use in the operation of the Stations (the "Transmitters"). Commencing upon the tenth (10<sup>th</sup>) business day following the Commencement Date and on the tenth (10<sup>th</sup>) business day of each of the consecutive months thereafter, Licensee shall pay Sales Agent

in cash for each Transmitter (the "Transmitter Payments"). Upon payment in full of the Transmitter Payments, Sales Agent shall convey to Licensee good and marketable title to the Transmitters free and clear of all liens and encumbrances. The obligations in this Section 4.2(vii) shall survive any termination of this Agreement prior to the expiration of the Initial term and any renewal term.

4.3 Excluded Services. (a) Licensee retains all rights with respect to the sale of all advertising on any Internet site maintained by or on behalf of the Stations and any supplementary or ancillary non-broadcast services on the Stations not included within the definition of

"Advertisements" in Section 4.1 hereof (collectively, "Excluded Services"), and (b) the commercial inventory and marketing and advertising rights with respect to Excluded Services are not conveyed to Sales Agent under this Agreement. Upon the request of either party, Licensee and Sales Agent shall cooperate and negotiate in good faith the terms and conditions acceptable to Licensee and Sales Agent that would apply to Sales Agent's sale of one or more Excluded Services, provided that neither Licensee nor Sales Agent shall have any obligation or liability with respect to any Excluded Services unless and until Licensee and Sales Agent shall have entered into a definitive and binding agreement with respect thereto.

4.4 Content Policies. All material furnished by Sales Agent for broadcast on the Stations ("Broadcast Material") shall comply with applicable federal, state and local regulations and policies, including commercial limits in children's programming. Licensee shall have the right to preempt any Broadcast Material to present program material of greater local or national importance. Licensee may reject any Broadcast Material if Licensee reasonably determines that the broadcast of such material would violate applicable laws or would otherwise be contrary to the public interest. Licensee shall promptly notify Sales Agent of any such rejection, preemption, or rescheduling and shall cooperate with Sales Agent in efforts to fulfill commitments to advertisers and syndicators. Schedule 4.4 sets forth Licensee's statement of policy (the "Policy Statement") with regard to the Advertisements. Sales Agent shall ensure that the Advertisements are in accordance with this Agreement and the Policy Statement.

4.5 Public Service Announcements. Sales Agent acknowledges that Licensee has in the past provided time on the Stations for the promotion of public service organizations in the form of public service announcements ("PSAs"), and Sales Agent agrees that it will release spot time to Licensee for the broadcast of PSAs at times and in amounts consistent with Licensee's past practices and consistent with Sales Agent's operating policies applicable to the broadcast of PSAs on KBMY and KMCY. Licensee and Sales Agent shall cooperate in good faith concerning the placement of the PSAs to be broadcast on the Stations; *provided, however*, that Licensee shall be ultimately responsible for selecting and obtaining PSAs for broadcast on the Stations.

4.6 Trade and Barter Spots. To the best of Licensee's knowledge, Schedule 4.6 hereto is an accurate and complete list in all material respects as of the Commencement Date of contracts for the sale of advertising time on the Stations for non-cash consideration that will extend beyond the Commencement Date ("Trade Agreements"). Sales Agent shall comply with and honor all such Trade Agreements. The dollar value of advertising time on the Stations provided to advertisers pursuant to Trade Agreements shall not be included in the computation and determination of Net Sales Revenue for purposes of this Agreement. After the Commencement Date, Sales Agent and Licensee shall have the right to enter into new contracts for the sale of Advertisements for non-cash consideration, *provided* that Sales Agent and Licensee approve each such Trade Agreement and *provided further* that the dollar value of such advertising time on the Stations for such Trade Agreements is not included in the computation and determination of Net Sales Revenue for purposes of this Agreement. The parties shall mutually agree as to the use of the non-cash consideration received for each new Trade Agreement. For purposes of this Section 4.6, the term Trade Agreements applies only to the bartering of advertising in return for goods and services other than programming.



4.7 Accounts Receivable. Licensee shall retain all revenues from advertising broadcast by the Stations prior to the Commencement Date ("Licensee Accounts Receivable"). All revenues from the Advertisements broadcast by the Stations on or after the Commencement Date, including revenues derived from advertising sold by Licensee or its agent prior to the Commencement Date that has not been aired as of the Commencement Date, shall be allocated between Sales Agent and Licensee as set forth in Schedule 3.1. Licensee shall deliver to Sales Agent a schedule of Licensee Accounts Receivable, within                      business days of the Commencement Date. Sales Agent shall not be required to collect the Licensee Accounts Receivable.

4.9 Monthly Reports; Books and Records. The following obligations shall begin on the first day of the first full calendar month beginning after the Commencement Date:

(a) On or before the twentieth day of each calendar month during the Initial Term and any renewal term of this Agreement, Sales Agent shall furnish Licensee with a report regarding Sales Agent's sales by advertiser of the Advertisements for the previous calendar month. Licensee shall have the right to review only those books and records of Sales Agent that pertain to the revenues from the sale of such Advertisements.

(b) On or before the twentieth day of each calendar month during the Initial Term and any renewal term of this Agreement, Licensee shall furnish Sales Agent with such financial statements and reports as Licensee prepare in the ordinary course of business as of the Commencement Date that reflect the costs and expenses incurred by Licensee in operating and maintaining the Stations. Sales Agent shall have the right to review only those books and records of Licensee that pertain to the costs and expenses of the Stations, including any administrative charges, fees, or other amounts payable to any Affiliate of Licensee.

4.10 Control. Notwithstanding anything to the contrary in this Agreement, Licensee and Sales Agent acknowledge and agree that during the Initial Term and any renewal term of this Agreement, Licensee will maintain ultimate control and authority over the facilities of the Stations, including specifically control and authority over the Stations' operations, including finances, personnel, and programming. Without limiting the generality of the foregoing, Licensee shall retain sole responsibility for the selection, development, and acquisition of any and all programming to be broadcast over the Stations, as well as the payment therefor, subject to Licensee's right to reimbursement in accordance with the terms of Schedule 3.1. To that end, Licensee shall (a) have exclusive authority for the negotiation, preparation, execution and implementation of any and all programming agreements for the Stations, and (b) retain and hire or utilize whatever employees Licensee reasonably deems appropriate or necessary to fulfill those programming functions. Sales Agent shall not represent, warrant or hold itself out as the Stations' licensee, and all sales material prepared by Sales Agent for the sale of advertising time on the Stations shall identify Licensee as the licensee of the Stations using mutually agreeable wording and references. Sales Agent shall sell advertising time and enter into all agreements for the sale of time on the Stations in its own name.

## **SECTION 5. OTHER OBLIGATIONS OF THE PARTIES**

5.1 Responsibilities of Licensee. Licensee, at its expense and subject to reimbursement to the extent provided by Schedule 3.1, shall be responsible for and perform the following obligations



with respect to the business and operations of the Stations during the Initial Term and any renewal term of this Agreement, in accordance with and subject to the following:

(a) Licensee shall bear all responsibility for the Stations' compliance with all applicable provisions of the Communications Law and all other applicable laws. Licensee shall hire and retain such employees as are required under the Communications Law to staff the Stations' main studios and shall file in a timely and complete manner all reports and applications required to be filed with the FCC or any other governmental body. All programming aired on the Stations that is produced in whole or in part by Licensee or any Affiliate of Licensee shall comply in all material respects with Licensee's Policy Statement.

(b) Licensee shall maintain in effect policies of insurance insuring the assets and the business of the Stations in accordance with past practices, but including, without limitation, errors and omissions coverage (including for indemnification purposes) and a business interruption policy adequate to compensate Licensee with respect to the foreseeable risks to the Station and Licensee.

(c) Licensee shall cause the Stations' transmitting facilities to be maintained at all times in accordance with good engineering practice and in accordance with the Communications Law. Licensee shall use, operate, and maintain all of the assets of the Stations in a reasonable manner. If any loss, damage, impairment, confiscation or condemnation of any assets required for the normal operation of the Stations occurs, Licensee shall repair, replace, or restore such assets to their prior condition as soon thereafter as possible, and Licensee shall use the proceeds of any claim under any insurance policy to repair, replace or restore any of the assets that are lost, damaged, impaired or destroyed.

(d) Licensee shall be solely responsible for and shall pay in a timely manner all operating costs of the Stations (excluding those costs incurred by Sales Agent in connection with the services provided by Sales Agent under this Agreement, including the shared services to be provided by Sales Agent to Licensee pursuant to Section 4.2), including the cost of electricity, other utilities and rental or other payments with respect to real property leased by Licensee, taxes, and the salaries, insurance, and other costs for all personnel employed by Licensee.

(e) Licensee shall promptly pay when due, all music rights payments (including, without limitation, music performance rights, synchronization rights, and master use rights), if any, in connection with the broadcast and/or transmission of all announcements, including the Advertisements, and programming on the Stations.

(f) Licensee shall, consistent with their past practice, make any and all capital expenditures necessary to (i) maintain the Stations' current level of technical operation, and (ii) complete the construction of the Stations' digital television facilities.

(g) Licensee shall be solely responsible for all costs and expenditures associated with the procuring of programming to be aired on the Stations.

(h) Licensee shall determine and conduct all promotional efforts for the Stations.

(i) Subject to the provisions of any network affiliation or other programming agreement, Licensee shall consult and cooperate with Sales Agent in the negotiation, maintenance, and enforcement of retransmission consent agreements with cable, satellite and other multichannel video providers. Licensee, in consultation with Sales Agent, shall exercise Licensee's rights to mandatory carriage and retransmission consent for cable television and other multichannel video providers in a manner that ensures the maximum possible distribution of the Stations' signals on cable, direct-broadcast-satellite, and other multichannel video programming distributors serving communities located in the Market.

(j) Licensee shall not take any action or unreasonably omit to take any action that could reasonably be expected to result in or cause a (i) revocation, non-renewal or material impairment of the Stations' FCC licenses, or (ii) material adverse effect upon the Stations' transmitters, antennae and other material assets included in the Stations' transmission facility.

(k) Licensee shall list Sales Agent as the exclusive sales representative for the Advertisements in all applicable trade listings and advertising and promotional material if and when such listings and material are published by Licensee.

(l) To the extent permitted under the terms of any applicable agreement, Licensee shall provide to Sales Agent such routine ratings information and ratings reports with respect to the Stations as are customarily prepared or obtained by Licensee in the ordinary course of business. Except as otherwise agreed by Licensee and Sales Agent, Licensee shall maintain (including timely payment of all fees) any agreements with Nielsen Media Research or its affiliates or other ratings information providers customarily used by Licensee as a source of local station research information for the Stations (collectively, the "Ratings Agencies"). At Sales Agent's request, Licensee shall use their commercially reasonable efforts to assist Sales Agent in obtaining from the Ratings Agencies permission to use the Stations' ratings information and reports in connection with the sale of the Advertisements.

5.2 Responsibilities of Sales Agent. Sales Agent, at its expense and subject to the provisions of Schedule 3.1, shall be responsible for and perform the following obligations with respect to the marketing and sale of the Advertisements during the Initial Term and any renewal term of this Agreement in accordance with and subject to the following provisions:

(a) Sales Agent shall be solely responsible for (i) all commissions to employees, agencies or representatives and other expenses incurred in its marketing and sale of the Advertisements; (ii) all expenses incurred in its performance of marketing, sales and collections functions with respect to the Advertisements; (iii) any publicity or promotional expenses and other fees it incurred in performing its obligations under this Agreement; and (iv) all fees related to the software used for sales and collection functions, including any fees charged by the provider to make Sales Agent's software interface with Licensee's master control equipment.

(b) Sales Agent shall be solely responsible for the salaries, taxes, and related costs for all personnel employed by Sales Agent who are used by Sales Agent in the sale of the Advertisements and the collection of accounts receivable (including account executives).

(c) Sales Agent shall cooperate with Licensee to assist Licensee in complying with the provisions of the Communications Law regarding political advertising, including compliance with Licensee's statement disclosing political advertising rates and practices for purchasers of political advertising consistent with applicable FCC rules and policies. Sales Agent shall supply such information promptly to Licensee as may be necessary to comply with the public inspection file, lowest unit rate, equal opportunities, and reasonable access requirements of the Communications Law. If the Stations fail to meet their political time obligations under the Communications Law based on the advertising sold by Sales Agent, then to the extent reasonably necessary to enable Licensee to cause the Stations to comply with their political time obligations, Sales Agent shall release advertising availabilities to Licensee; *provided, however*, that all revenues realized by Licensee from the sale of such advertising time shall be considered a part of its Net Sales Revenue.

(d) Sales Agent shall assist Licensee with the negotiation, maintenance, and enforcement of retransmission consent agreements with cable, satellite, and other multichannel video providers.

5.3 Delivery of Material for Broadcast. All Broadcast Material shall be delivered to the Stations in a format to be agreed upon by Sales Agent and Licensee, in a form ready for broadcast on the Stations' existing playback equipment, and with quality suitable for broadcast. Licensee shall not be required to provide production services or to copy, reformat, or otherwise manipulate material furnished by Sales Agent other than inserting tape cartridges or similar broadcast-ready media into machinery or computers for broadcast.

5.4 Access to Information. In order to ensure compliance with the Communications Law and other applicable laws, Licensee shall be entitled to review at its reasonable discretion from time to time any Advertisement that Licensee may reasonably request. Sales Agent also shall maintain and deliver to the Stations such records and information required by the FCC to be placed in the public inspection file of each Station pertaining to the sale of political programming and advertisements, in accordance with the provisions of Sections 73.1940 and 73.3526 of the FCC's rules, and to the sale of sponsored programming addressing political issues or controversial issues of public importance, in accordance with the provisions of Section 73.1212 of the FCC's rules. Sales Agent shall furnish to Licensee upon request any other information that is reasonably necessary to enable Licensee to prepare any records or reports required by the FCC or other governmental entities. Nothing in this section shall entitle Licensee to review the internal corporate or financial records of Sales Agent. Licensee shall keep confidential any information obtained from Sales Agent in connection with this Agreement, except as and to the extent required by law. If this Agreement is terminated, Licensee shall return to Sales Agent all information obtained by Licensee from Sales Agent in connection with this Agreement.

## **SECTION 6. REPRESENTATIONS AND WARRANTIES OF LICENSEE**

Licensee represents and warrants to Sales Agent as follows:

6.1 Authorization and Binding Obligation. The execution, delivery, and performance of this Agreement by Licensee have been duly authorized by all necessary limited liability company action on the part of Licensee. This Agreement has been duly executed and delivered by Licensee

and constitutes the legal, valid, and binding obligation of Licensee, enforceable against Licensee in accordance with its terms except as the enforceability hereof may be affected by bankruptcy, insolvency, or similar laws affecting creditors' rights generally and by judicial discretion in the enforcement of equitable remedies.

6.2 Absence of Conflicting Agreements. The execution, delivery, and performance by Licensee of this Agreement and the documents contemplated hereby (with or without the giving of notice, the lapse of time, or both): (a) do not require the consent of any governmental or regulatory authority or any other Person; (b) will not conflict with the organizational documents of Licensee; (c) to the best of Licensee's knowledge, does not conflict with, result in a breach of, or constitute a default under any law, judgment, order, ordinance, injunction, decree, rule, regulation, or ruling of any court or governmental instrumentality applicable to Licensee; and (d) does not conflict with, constitute grounds for termination of, result in a breach of, constitute a default under, or accelerate or permit the acceleration of any performance required by the terms of any agreement, instrument, license, or permit to which Licensee is a party or by which Licensee is bound.

6.3 Authorizations. On and after the Commencement Date, Licensee will hold all material licenses, permits, and other authorizations required in all material respects by the FCC for the lawful operation of the Stations and the conduct of the business of the Stations in the manner and to the full extent they are currently conducted. All such licenses, permits, and other authorizations have been validly issued and are in full force and effect, and none of such licenses, permits, and other authorizations is subject to any restriction or condition that would limit the operations of the Stations as they are currently conducted. Except as set forth in Schedule 6.3, there is not now pending, or to the best of Licensee's knowledge, threatened, any action by the FCC or by any other Person to revoke, cancel, suspend, refuse to renew, or modify any of those licenses, permits, and other authorizations. Licensee is in compliance in all material respects with the FCC permits, licenses and other authorizations issued for the Stations and the Communications Law. Notwithstanding any other provision of this Agreement, Sales Agent acknowledges the obligation of Licensee to complete the construction of the digital facilities of the Stations in accordance with the Communications Law and Licensee agrees, subject to reimbursement to the extent provided by Schedule 3.1, to complete such construction within the time periods provided by the FCC's rules.

## **SECTION 7. REPRESENTATIONS AND WARRANTIES OF SALES AGENT**

Sales Agent represents and warrants to Licensee as follows:

7.1 Authorization and Binding Obligation. The execution, delivery, and performance of this Agreement by Sales Agent have been duly authorized by all necessary corporate action on the part of Sales Agent. This Agreement has been duly executed and delivered by Sales Agent and constitutes the legal, valid, and binding obligation of Sales Agent, enforceable against Sales Agent in accordance with its terms except as the enforceability hereof may be affected by bankruptcy, insolvency, or similar laws affecting creditors' rights generally and by judicial discretion in the enforcement of equitable remedies.

7.2 Absence of Conflicting Agreements. The execution, delivery, and performance by Sales Agent of this Agreement and the documents contemplated hereby (with or without the giving of notice, the lapse of time, or both): (a) do not require the consent of any governmental or

regulatory authority or any other Person; (b) will not conflict with the Certificate of Incorporation or By-Laws of Sales Agent; (c) to the best of Sales Agent's knowledge, does not conflict with, result in a breach of, or constitute a default under, any law, judgment, order, ordinance, injunction, decree, rule, regulation, or ruling of any court or governmental instrumentality applicable to Sales Agent; and (d) does not conflict with, constitute grounds for termination of, result in a breach of, constitute a default under, or accelerate or permit the acceleration of any performance required by the terms of, any agreement, instrument, license or permit to which Sales Agent is a party or by which Sales Agent is bound.

## **SECTION 8. INDEMNIFICATION AND REMEDIES**

8.1 Representations and Warranties. Any investigations by or on behalf of any party hereto shall not constitute a waiver as to enforcement of any representation, warranty, or covenant contained herein. No notice or information delivered by Licensee shall affect Sales Agent's right to rely on any representation or warranty made by Licensee or relieve Licensee of any obligations hereunder as the result of a breach of any of its representations and warranties. No notice or information delivered by Sales Agent shall affect Licensee's right to rely on any representation or warranty made by Sales Agent or relieve Sales Agent of any obligations hereunder as the result of a breach of any of its representations and warranties.

8.2 By Sales Agent. Sales Agent shall indemnify and hold Licensee and its officers, directors, stockholders, agents and employees harmless against any and all liability for libel, slander, illegal competition or trade practice, infringement of trademarks, trade names, or program titles, violation of rights of privacy, and infringement of copyrights and proprietary rights resulting from or relating to the Advertisements, or other material furnished by Sales Agent for broadcast on the Stations, along with any fine or forfeiture imposed by the FCC because of the content of such material, for breaches by Sales Agent of its representations, warranties or agreements herein and for the actions of Sales Agent's employees and representatives in performing their duties under this Agreement.

8.3 By Licensee. Licensee shall indemnify and hold Sales Agent and its officers, directors, stockholders, agents and employees harmless against any and all liability for libel, slander, illegal competition or trade practice, infringement of trademarks, trade names, or program titles, violation of rights of privacy, and infringement of copyrights and proprietary rights resulting from or relating to all material broadcast on the Stations furnished by Licensee or any Affiliate of Licensee, along with any fine or forfeiture imposed by the FCC because of the content of such material, for breaches by Licensee of its representations, warranties or agreements herein and for the actions of Licensee's employees and representatives in performing their duties under this Agreement.

8.4 General. Indemnification shall include all liability, costs and expenses, including reasonable counsel fees (at trial and on appeal). The indemnification obligations under this Section shall survive any expiration or termination of this Agreement. The obligation of each party to indemnify is conditioned on the receipt of notice from the party making the claim for indemnification in sufficient time to allow the indemnifying party to timely defend against the claim and upon the reasonable cooperation of the claiming party in defending against the claim. The party responsible for indemnification shall select counsel and control the defense of any claim

for indemnification; *provided, however*, that no claim may be settled by an indemnifying party without the consent of the indemnified party, which consent shall not be unreasonably withheld, and *provided further* that, if an indemnifying party and a claimant agree on a settlement and the indemnified party rejects the settlement unreasonably, the indemnifying party's liability will be limited to the amount the claimant agreed to accept in settlement.

#### 8.5 Limitation of Liability.

(a) Notwithstanding the above or anything to the contrary in this Agreement, the Sales Agent's liability to Licensee shall not exceed \_\_\_\_\_ for any reason, except payment of indemnification for third party claims against Licensee pursuant to Section 8.2 above.

(b) Notwithstanding the above or anything to the contrary in this Agreement, the Licensee's liability to Sales Agent shall not exceed \_\_\_\_\_ for any reason, except payment of indemnification for third party claims against Sales Agent pursuant to Section 8.2 above, and failure to make payment to Sales Agent of the Sales Agent Revenue Share as provided in Section 3 of Schedule 3.1 hereto.

(c) No action between the parties may be brought alleging indirect, special, consequential, or punitive damages, or lost profits. Indemnification shall be the sole remedy for damages between the parties, except as set forth in Section 8.6 below.

8.6 Services and Facilities Unique. The parties hereto agree that the services to be provided by each party to the other under this Agreement are unique and that substitutes therefor cannot be purchased or acquired in the open market. For that reason, either party would be irreparably damaged in the event of a material breach of this Agreement by the other party. Accordingly, to the extent permitted by the Communications Law and the rules, regulations and policies of the FCC then in effect, either party may request that a decree of specific performance be issued by a court of competent jurisdiction, enjoining the other party to observe and to perform such other party's covenants, conditions, agreements and obligations hereunder, and each party hereby agrees neither to oppose nor to resist the issuance of such a decree on the grounds that there may exist an adequate remedy at law for any material breach of this Agreement.

8.7 Attorneys' Fees. In the event of a default by either party, which results in a lawsuit, or other proceeding for any remedy available under this Agreement, the prevailing party shall be entitled to reimbursement from the other party of its reasonable legal fees and expenses.

### SECTION 9. MISCELLANEOUS

9.1 Notices. All notices, demands, and requests required or permitted to be given under the provisions of this Agreement shall be (a) in writing, (b) delivered by personal delivery, or sent by commercial delivery service, registered or certified mail, return receipt requested or by facsimile, (c) deemed to have been given on the date of personal delivery, the date set forth in the records of the delivery service, on the return receipt or on the date sent by facsimile with receipt confirmed, as the case may be, and (d) addressed as follows:

If to Licensee:

Forum Communications  
301 S. 8th Street  
Fargo, ND 58103  
Telephone: (701) 237-6500  
Facsimile: (701) 241-5388  
Attention: Mark Prather

With a copy (which shall  
not constitute notice) to:

John R. Feore, Jr., Esq.  
Dow, Lohnes PLLC  
1200 New Hampshire Avenue, N.W.  
Suite 800  
Washington, DC 20036-6802

If to Sales Agent:

Reiten Television, Inc.  
1811 N.15th St  
Bismarck, ND 58501  
Telephone: 701-223-9197  
Facsimile: 701-223-3320  
Attention: Tim Reiten

With a copy (which shall  
not constitute notice) to:

Brendan Holland  
Davis Wright Tremaine LLP  
1919 Pennsylvania Ave., NW  
Suite 200  
Washington, DC 20006

or to any other or additional persons and addresses as the parties may from time to time designate for themselves in a writing delivered in accordance with this *Section 9.1*.

9.2 Confidentiality. Except as necessary for the consummation of the transaction contemplated by this Agreement, and except as and to the extent required by law, each party will keep confidential any information obtained from the other party in connection with the transactions contemplated by this Agreement. If this Agreement is terminated, each party will return to the other party all confidential information obtained by such party (which information is then still in such party's possession or under its control) from the other party in connection with the transactions contemplated by this Agreement. To the extent required by the Communications Law, each party shall place a copy of this Agreement in its public inspection file and shall consult with and agree upon the confidential and proprietary information herein that shall be redacted from such copy.

9.3 Assignment; Benefit; Binding Effect. Neither party may assign this Agreement or delegate its obligations under this Agreement without the prior written consent of the other. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.



9.4 Force Majeure. Any delay or interruption in the broadcast operation of the Stations, in whole or in part, due to Acts of God, strikes, lockouts, material or labor restrictions, governmental action, riots, natural disasters or any other cause not reasonably within the control of either party shall not constitute a breach of this Agreement, and neither party shall be liable to the other for any liability or obligation with respect thereto.

9.5 Further Assurances. The parties shall take any actions and execute any other documents that may be necessary or desirable to the implementation and consummation of this Agreement.

9.6 Press Release. Neither party shall publish any press release, make any other public announcement or otherwise communicate with any news media concerning this Agreement or the transactions contemplated hereby without the prior written consent of the other party; *provided, however*, that nothing contained herein shall prevent either party from promptly making all filings with governmental authorities as may, in its judgment, be required or advisable in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby.

9.7 Captions. The captions in this Agreement are for convenience only and shall not be considered a part of, or effect the construction or interpretation of any provision of, this Agreement.

9.8 Gender and Number. Words used herein, regardless of the gender and number specifically used, shall be deemed and construed to include any other gender, masculine, feminine, or neuter, and any other number, singular or plural, as the context requires.

9.9 Entire Agreement. This Agreement, the schedules hereto, and all documents, certificates, and other documents to be delivered by the parties pursuant hereto, collectively represent the entire understanding and agreement between Licensee and Sales Agent with respect to the subject matter hereof. This Agreement supersedes all prior negotiations, agreements and correspondence between the parties with respect to such subject matter, and cannot be amended, supplemented, or modified except by an agreement in writing that makes specific reference to this Agreement and which is signed by the party against which enforcement of any such amendment, supplement, or modification is sought.

9.10 Waiver of Compliance; Consents. Except as otherwise provided in this Agreement, any failure of either party to comply with any obligation, representation, warranty, covenant, agreement, or condition herein may be waived by the party entitled to the benefits thereof only by a written instrument signed by the party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, representation, warranty, covenant, agreement, or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. Whenever this Agreement requires or permits consent by or on behalf of either party hereto, such consent shall be given in writing in a manner consistent with the requirements for a waiver of compliance as set forth in this Section 9.10.

9.11 No Joint Venture. The provisions of the Agreement do not create any joint venture or similar relationship between the parties hereto; each party is an independent entity for all purposes, and neither party shall be liable for the obligations of the other party.

9.12 Governing Law. THIS AGREEMENT SHALL BE GOVERNED, CONSTRUED, AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NORTH DAKOTA (WITHOUT REGARD TO THE CHOICE OF LAW PROVISIONS THEREOF).

9.13 Consent to Jurisdiction. Each of the parties hereto irrevocably submits to the exclusive jurisdiction (subject to the immediately following sentence) of the United States District Court for North Dakota for the purposes of any suit, action or other proceeding arising out of this Agreement or any transaction contemplated hereby. Each of the parties hereto agrees, to the extent permitted under applicable laws and rules of procedure, to commence any action, suit or proceeding relating hereto either in the United States District Court for North Dakota, or if such suit, action or other proceeding may not be brought in such court for jurisdictional reasons, in the Cass County District Court of the State of North Dakota. Each of the parties hereto further agrees that service of any process, summons, notice or document by U.S. registered mail to such party's respective address set forth above shall be effective service of process for any action, suit or proceeding with respect to any matters to which it has submitted to jurisdiction in this Section 9.12. Each of the parties hereto irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the transactions contemplated hereby in (i) the United States District Court for North Dakota or (ii) the Cass County District Court of the State of North Dakota, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum. Notwithstanding the foregoing, judgments, orders or decrees resulting from lawsuits or court actions brought in accordance with the foregoing provisions of this Section 9.12 may be appealed to or enforced in any court of competent jurisdiction.

9.14 Waiver of Jury Trial. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF ANY PARTY IN THE NEGOTIATION, PERFORMANCE OR ENFORCEMENT HEREOF.

9.15 Unenforceability. If one or more provisions of this Agreement or the application thereof to any person or circumstances shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law, except that, if such invalidity or unenforceability should change the basic economic positions of the parties, they shall negotiate in good faith such changes in other terms as shall be practicable in order to restore them to their prior positions. In the event that the FCC alters or modifies its rules or policies in a fashion which would raise substantial and material questions as to the validity of any provision of this Agreement, the parties shall negotiate in good faith to revise any such provision of this Agreement in an effort to comply with all applicable FCC rules and policies while attempting to preserve the intent of the parties as embodied in the provisions of this

Agreement. The parties hereto agree that, upon the request of either of them, they will join in requesting the view of the staff of the FCC, to the extent necessary, with respect to the revision of any provision of this Agreement in accordance with the foregoing.

9.16 Counterparts. This Agreement may be signed in counterparts and delivered via facsimile with the same effect as if the signature on each counterpart were upon the same instrument.

*[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]*

IN WITNESS WHEREOF, this Agreement has been executed by Licensee and Sales Agent effective as of the date first written above.

**LICENSEE:**

KBMY/KMCY, LLC

By: William C. Maier

Name:

Title: Pres

**SALES AGENT:**

REITEN TELEVISION, INC.

By: Tim Reiten

Name: Tim Reiten

Title: President, Reiten Television

AMENDMENT TO JOINT SALES AND SHARED SERVICES AGREEMENT

EXTENDING COVERAGE OF KBMY/KMCY IN TELEVISION MARKET

With the signatures below, as of April 24, 2009, this amendment becomes a part of the Joint Sales and Shared Service Agreement dated July 2008, between KBMY-KMCY, LLC, ("Licensee") and Reiten Television, Inc., ("Sales Agent").

Sales Agent agrees to carry KBMY-TV's signal on KXMA-TV's digital tier, Sub Channel 2, for the life of this agreement. KBMY-TV's signal, the entire broadcast day, will be transported via fiber and microwave to KXMA-TV for over the air broadcast. KXMA-TV, Channel 19 (DT), is a station licensed by Reiten Television Inc.'s for the Dickinson, North Dakota community, a part of the Minot-Bismarck-Dickinson television market. All 16 x 9 HD programming broadcast by KBMY-TV will be full screen 16 x 9, 480i.

Sales Agent agrees to carry KMCY-TV's signal on KXMD-TV's digital tier, Sub Channel 2, for the life of this agreement. KCMY-TV's signal, the entire broadcast day, will be transported via fiber and microwave to KXMD-TV for over the air broadcast. KXMD-TV, Channel 14 (DT), is a station licensed by Reiten Television Inc.'s for the Williston, North Dakota community, a part of the Minot-Bismarck-Dickinson television market. All 16 x 9 HD programming broadcast by KBMY-TV will be full screen 16 x 9, 480i.

**LICENSEE:**

KBMY/KMCY, LLC

By: Mark Pruth

Name:

Title:

**SALES AGENT:**

REITEN TELEVISION, INC.

By: Tim Reiten

Name: Tim Reiten

Title: Pres. Reiten Television