# JOINT SALES AGREEMENT

THIS JOINT SALES AGREEMENT (this "Agreement") is made as of December 7, 2010, by and between FISHER BROADCASTING - S.E. IDAHO TV, L.L.C., a Delaware limited liability company ("Station Owner") and NPG OF IDAHO, INC., a Missouri corporation ("Sales Agent").

# **PREAMBLE**

**WHEREAS**, Station Owner owns and operates broadcast television station KIDK-DT, Idaho Falls, Idaho, and the associated Low Power Television and TV Translator Stations (collectively, the "*JSA Station*");

**WHEREAS**, Sales Agent owns and operates broadcast television station KIFI-TV, Idaho Falls, Idaho (the "*JSA Service Station*");

WHEREAS, as an inducement to each party to enter into this Agreement and as a condition to the execution and delivery of this Agreement, Station Owner and Sales Agent are entering into contemporaneously herewith that certain Shared Services Agreement, dated as of even date herewith (the "SSA"), pursuant to which Sales Agent will provide Station Owner with certain shared services relating to the operation of the JSA Station; and

WHEREAS, to promote the economic and business development of the JSA Station, including the maintenance and enhancement of the JSA Station's service to the public interests and community needs of the Idaho Falls-Pocatello, Idaho Designated Market Area, the parties desire to enter into this Agreement with respect to the sale of advertising time on the JSA Station.

**Now**, **THEREFORE**, in consideration of the foregoing premises and the mutual promises, undertakings, covenants and agreements of the parties contained in this Agreement, the parties hereto, intending to be legally bound, hereby agree as follows:

# ARTICLE I

# **DEFINITIONS**

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

"Adjusted Aggregate Expenses" has the meaning ascribed thereto in the SSA.

"Adjusted Net Cash Flow" has the meaning ascribed thereto in the SSA.

"Applicable Law" means any of the Communications Act, the FCC Rules, and all other federal, state and local constitutions, laws, statutes, codes, rules, regulations, ordinances, judgments, orders, decrees and the like of any Governmental Authority, including common law.

"Combined Website" has the meaning ascribed thereto in the SSA.

- "Commencement Date" has the meaning ascribed thereto in the SSA.
- "Communications Act" means the Communications Act of 1934, as amended, as in effect from time to time.
  - "Excess Spectrum" has the meaning ascribed thereto in the SSA.
  - "FCC" means the Federal Communications Commission or any successor agency thereto.
- "FCC Rules" means the rules and published policies of the FCC, as in effect from time to time.
- "Governmental Authority" means any federal, state, or local government, legislature, governmental or administrative agency or commission, any self-regulatory association or authority, any court or other tribunal of competent jurisdiction, or any other governmental authority or instrumentality anywhere in the United States.
- "JSA Costs" means those costs, expenses and capital expenditures incurred in connection with the Advertising sales services for the JSA Station contemplated hereunder and comparable services for the JSA Service Station, as set forth in the Shared Services Operating Budget (as defined in the SSA).
- "Low Power Television and TV Translator Stations" has the meaning ascribed thereto in the SSA.
  - "Network" has the meaning ascribed thereto in the SSA.
- "Person" means natural persons, corporations, business trusts, associations, companies (including limited liability companies), joint ventures, and partnerships.
  - "Primary Channel" has the meaning ascribed thereto in the SSA.
  - "Secondary Channel" has the meaning ascribed thereto in the SSA.
  - "Services Fee" has the meaning ascribed thereto in the SSA.
  - "Station Website" has the meaning ascribed thereto in the SSA.
- "*Transition Plan*" means that certain letter agreement, dated as of the date hereof, which sets forth certain understandings with respect to transitional matters in anticipation of and in preparation for the Commencement Date and the provision of services under the SSA.
- "*Transaction Documents*" means this Agreement, the SSA, the Option Agreement and the Transition Plan, any amendments to any of the foregoing and any the other documents, agreements and instruments executed by the parties hereto and thereto in connection herewith and therewith.
- **Section 1.2** *Other Capitalized Terms* Capitalized terms used herein that (a) are not defined herein and (b) are defined in the SSA or the Transition Plan, shall have the meaning ascribed thereto in the SSA or the Transition Plan, as applicable.

**Section 1.3** Additional Defined Terms. In addition to the defined terms in 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:

Section/Schedule

Term

1 EI M	Deciton/Beneaute
Advertisements	Section 4.1(a)
Agreement	Introduction
Decree	Section 6.2
Initial Term	Section 2.1(a)
JSA Service Station	Preamble
JSA Station	Preamble
National Advertisements	Section 4.1(a)
Other Advertisements	Section 4.1(a)
Policy Statement	Section 4.2(a)
PSAs	Section 4.1(c)
Sales Agent	Introduction
SSA	Preamble
Station Owner	Introduction
Television Advertisements	Section 4.1(a)
Term	Section 2.1(b)
Trade Agreements	Section 4.2
Website Advertising	Section 4.1(d)

Section 1.4 Other Definitional Provisions. 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. The terms "hereof," "herein" and "hereunder" and terms of similar import will refer to this Agreement as a whole and not to any particular provision of this Agreement. Section references contained in this Agreement are references to Sections in this Agreement, unless otherwise specified. The words "or" and "any" are not exclusive. Whenever the term "including" is used in this Agreement (whether or not that term is followed by the phrase "but not limited to" or "without limitation" or words of similar effect) in connection with a listing of items within a particular classification, that listing shall be interpreted to be illustrative only and will not be interpreted as a limitation on, or an exclusive listing of, the items within that classification.

**Section 1.5** *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.

# ARTICLE II

# TERM AND TERMINATION

# Section 2.1 Term.

- (a) *Initial Term*. This Agreement shall be deemed effective on and as of the Commencement Date, and shall continue until the tenth (10th) anniversary of the Commencement Date (the "*Initial Term*"), unless earlier terminated in accordance with Section 2.2 below.
- (b) Renewal Term. This Agreement shall be renewed automatically without any further action by the parties hereto if the SSA is renewed in accordance with its terms and shall remain in full force and effect until the expiration or the effective date of termination of the SSA in accordance with its terms (the Initial Term and any such renewal term hereinafter referred to as the "Term").

# Section 2.2 Termination.

- (a) Mutual Agreement. This Agreement may be terminated at any time by written agreement of the parties.
- (b) Automatic Termination. This Agreement shall terminate automatically, without any further action by the parties, upon the effective date of termination of the SSA in accordance with its terms.
- (c) Pursuant to the SSA. This Agreement may be terminated by Sales Agent pursuant to the terms and subject to the conditions of Section 13.3 of the SSA.
  - (d) *Certain Matters Upon Termination.*
- (i) The termination of this Agreement or the expiration of the Term shall be without prejudice to any rights or obligations of the parties that may have accrued prior to the effective time of such termination or expiration.
- (ii) Upon and following any termination, the parties shall reasonably cooperate in good faith to effect a transition to Station Owner of those duties and functions undertaken by Sales Agent under this Agreement.

### ARTICLE III

# CONSIDERATION

- **Section 3.1** *Payments.* The consideration due and payable by Station Owner to Sales Agent in connection with the services provided hereunder shall be paid to Sales Agent pursuant to the terms and subject to the conditions of Schedule A to the SSA.
- **Section 3.2** *JSA Costs*. The JSA Costs shall be included in the calculation of Adjusted Aggregate Expenses (as defined in the SSA) and shall be paid in accordance with the SSA.

# ARTICLE IV

# SCOPE OF SERVICES

# Section 4.1 Sales and Related Services.

- Except as otherwise expressly provided herein, Station Owner retains Sales (a) Agent on an exclusive basis to market and sell all forms of regional and local spot advertising (including political advertising), sponsorships, direct response advertising, paid programming (including infomercials), and all long-form advertising broadcast by the JSA Station on each of the Primary Channel and the Secondary Channel of the JSA Station (the "Television Advertisements") and all forms of advertisements relating to distribution of the programming with respect to Primary Channel and the Secondary Channel of the JSA Station or otherwise utilizing the digital spectrum allocated to such Primary Channel or Secondary Channel of the JSA Station, but reserving to Station Owner the Excess Spectrum with respect to the JSA Station, whether for broadcasting to mobile devices or other means of distribution, whether or not now existing (the "Other Advertisements"), during the Term. National advertisements broadcast on the Primary Channel or the Secondary Channel of the JSA Station (the "National Advertisements") shall be sold by Station Owner's national rep firm; provided that Sales Agent shall provide customary coordination with such national rep firm. Service Provider shall determine the placement, duration and rates of the Television Advertisements, Other Advertisements, National Advertisements and Website Advertising (as hereinafter defined) (collectively, the "Advertisements"). Station Owner 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. Sales Agent may sell the Advertisements in combination with the advertisements of the JSA Service Station; provided that under no circumstances may Sales Agent require advertisers to purchase time on a combination of (i) either or both of the Primary Channel or the Secondary Channel of the JSA Station and (ii) the JSA Service Station or any other station. Subject to Section 4.1(c), the placement, duration, and rates of the Advertisements shall be determined by Sales Agent.
- (b) For the avoidance of doubt, under this Agreement, Station Owner shall retain the sole authority to market and sell all forms of advertisements on the Excess Spectrum with respect to the JSA Station.
- (c) Sales Agent acknowledges that the JSA Station has in the past provided time for the promotion of public service organizations in the form of public service announcements ("**PSAs**") and, accordingly, agrees to release spot time to Station Owner for the broadcast of such

PSAs at times and in amounts reasonably consistent with the JSA Station's past practices. Sales Agent and Station Owner shall cooperate in good faith concerning the placement and timing of the PSAs to be broadcast on the JSA Station; *provided*, *however*, that Station Owner shall have ultimate responsibility for selecting, obtaining and scheduling PSAs for broadcast on the JSA Station.

- (d) Sales Agent shall have the exclusive right to sell any and all advertising on the Station Website or, to the extent applicable, any Combined Website (each as defined in the SSA), including display advertising that appears in the same pageview as, or adjacent to, editorial content on such website, or advertising embedded into audio or visual content posted or otherwise displayed on such website (including text ads, banner ads, instream ads, pre-roll ads, wallpaper ads, video ads and sponsorships) ("Website Advertising").
- Section 4.2 *Trade and Barter Spots*. On or as soon as reasonably practicable after the Commencement Date, Station Owner shall deliver to the Sales Agent a list, which is accurate and complete in all material respects, of all contracts for the sale of advertising time on the JSA Station or the Station Website for non-cash consideration that are in effect as of, and will extend beyond, the Commencement Date ("*Trade Agreements*"). Sales Agent shall comply with and honor all such Trade Agreements, if and to the extent that Trade Agreement spots may be broadcast on a preemptible basis, and shall comply with any obligation of Station Owner to provide advertising time under the terms of any retransmission consent agreement.
- Section 4.3 Control of the JSA Station. Notwithstanding anything to the contrary in this Agreement or the SSA, the parties acknowledge and agree that, during the Term, Station Owner shall maintain ultimate control and authority over the JSA Station, including, specifically, all control and authority over the JSA Station's operations, finances, personnel and programming. Sales Agent shall not represent, warrant or hold itself out as the licensee or owner of the JSA Station and all sales material prepared by Sales Agent for the sale of advertising time on the JSA Station shall identify Station Owner as the owner and licensee of the JSA Station, by use of mutually agreeable wording and references regarding the JSA Station. Sales Agent shall sell advertising time and enter into all agreements for the sale of such time on the JSA Station in its own name, as Sales Agent.

# ARTICLE V

# OTHER OBLIGATIONS OF THE PARTIES

# Section 5.1 Responsibilities of Station Owner.

- (a) Station Owner 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 Station Owner.
- (b) Station Owner shall cooperate with Sales Agent in filing any necessary forms or reports required to obtain co-op reimbursement or other funds to which Sales Agent is entitled under the Transaction Documents. Sales Agent's receipt of promotional or co-op payments shall be considered a part of Adjusted Net Cash Flow pursuant to the SSA and its expenditures related to such promotional or co-op payments shall be considered Included Expenses

for purposes of calculating Adjusted Net Cash Flow. To the extent that any Network (as defined in the SSA) or program service agreement of Station Owner provides that, in exchange for cash payment, additional spot time that otherwise would be used by such Network or program service may be released for local sales by the Station, Station Owner, upon request by the Sales Agent, will obtain the release of such commercial spot inventory for the placement of Advertisements by the Sales Agent, subject to Sales Agent paying to Station Owner the cash amount required for such release, which amount Station Owner shall promptly pay to the Network pursuant to the terms of any such agreement with such Network.

- **Section 5.2** *Responsibilities of Sales Agent*. Sales Agent shall be responsible for and perform the following additional obligations with respect to the marketing and sale of the Advertisements during the Term in accordance with and subject to the following provisions:
- (a) Sales Agent shall cooperate with Station Owner and use commercially reasonable efforts to assist Station Owner in complying with the provisions of the Communications Act and FCC Rules regarding political advertising, including compliance with Station Owner's disclosures as to political advertising rates and practices for purchasers of political advertising on the JSA Station consistent with Applicable Law (the "*Policy Statement*"). Sales Agent shall supply such information promptly to Station Owner as may be necessary to comply with the public inspection file, lowest unit rate, equal opportunities and reasonable access requirements of the Communications Act and FCC Rules. If the JSA Station fails to meet the political time obligations under the Communications Act and FCC Rules as a result of the Advertisements sold by Sales Agent, then, to the extent reasonably necessary to enable Station Owner to cause the JSA Station to comply with such political time obligations, Sales Agent shall release advertising availabilities on the JSA Station to Station Owner.
- (b) All Advertisements shall comply in all material respects with the Policy Statement, the Communications Act, the FCC Rules and other Applicable Law and shall not violate the intellectual property rights of any Person. All services to be provided and all obligations to be performed by Sales Agent hereunder shall comply in all material respects with Applicable Law, including without limitation the Communications Act and FCC Rules, and standards of performance customary for the broadcast television industry.

# ARTICLE VI

# INDEMNIFICATION AND REMEDIES

**Section 6.1** *Indemnification and Remedies.* The indemnification provided by Article XI of the SSA, which is hereby incorporated by reference, shall be the sole and exclusive remedy of Station Owner and Sales Agent against the other party for any claim arising out of a breach of any representation, warranty, covenant or agreement herein or otherwise in connection with this Agreement; *provided* that neither this Section 6.1 nor Article XII of the SSA shall prohibit (a) injunctive relief (including specific performance) pursuant to Section 6.2 below if available under Applicable Law or (b) any other remedy available at law or in equity for any fraud alleged to have been committed in connection with this Agreement.

Section 6.2 Services Unique. The parties hereby agree that the services to be provided by the parties under this Agreement are unique and that any substitute therefor cannot be purchased or acquired in the open market and, thus, a party would be irreparably damaged in the event of an uncured material breach of this Agreement by the other party. Accordingly, to the extent permitted by the Applicable Law then in effect, the parties (a) may request that a decree of specific performance be issued by a court of competent jurisdiction ("Decree"), enjoining the other party to observe and to perform such other party's covenants, conditions, agreements and obligations hereunder and (b) hereby agree 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.

# ARTICLE VII

# **MISCELLANEOUS**

- **Section 7.1** *Notices*. All notices, demands, and requests required or permitted to be given under the provisions of this Agreement shall be given in accordance with Section 13.4 of the SSA.
- **Section 7.2** *Force Majeure.* Section 13.2 of the SSA is hereby incorporated by reference and made a part hereof.
- **Section 7.3** *Unenforceability* Section 13.3 of the SSA is hereby incorporated by reference and made a part hereof.
- Section 7.4 Assignment; Benefit; Binding Effect. Except as otherwise provided in Section 13.5 of the SSA, which is hereby incorporated by reference and made a part hereof, no party may assign this Agreement or delegate its obligations under this Agreement without the prior written consent of the other. Notwithstanding anything to the contrary contained herein, each party shall assign and delegate its rights and obligations under this Agreement to any Person to whom it assigns its respective rights and obligations under the SSA. Upon any assignment and delegation of this Agreement, Station Owner shall pay, or shall cause to be paid, all amounts accrued and owing to Sales Agent as of the consummation date of such assignment. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. Any permitted assignee of any party shall be a party to this Agreement for all purposes hereof.
- **Section 7.5** *Public Inspection File; Confidentiality*. To the extent required by the Communications Act or the FCC Rules, 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.
- **Section 7.6** *No Partnership or Joint Venture*. This Agreement is not intended to be, and shall not be construed as, an agreement to form a partnership or a joint venture between the parties. Except as otherwise specifically provided in this Agreement, no party shall be authorized to act as an agent of or otherwise to represent the other party hereto.

- **Section 7.7** *Governing Law.* This Agreement shall be construed and governed in accordance with the laws of the State of Washington without reference to the conflict of laws principles thereof.
- **Section 7.8** *Dispute Resolution*. Section 13.9 of the SSA is hereby incorporated by reference and made a part hereof.
- **Section 7.9** *Audit Rights.* Section 13.10 of the SSA is hereby incorporated by reference and made a part hereof.
- Section 7.10 Counterparts and Transmission of Signatures. This Agreement may be executed in any number of counterparts and each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute but one and the same instrument. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic transmission shall be effective as delivery of a manually executed original counterpart of this Agreement.
- Section 7.11 Amendment; Waiver; Entire Agreement. This Agreement and the attachments, Schedules and Exhibits hereto (which are hereby incorporated by reference and made a part hereof), together with the other Transaction Documents, when executed and delivered by the parties thereto, collectively represent the entire understanding and agreement among the parties hereto with respect to the subject matter hereof and thereof and supersede all prior agreements with respect to the subject matter hereof and thereof. No term or provision hereof may be changed, modified, terminated or discharged (other than in accordance with its terms), in whole or in part, except by a writing which is dated and signed by the parties hereto. No waiver of any of the provisions or conditions of this Agreement or of any of the rights, powers or privileges of a party hereto shall be effective or binding unless in writing and signed by the party claimed to have given or consented to such waiver.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Agreement has been executed by the parties effective as of the date first written above.

FISHER BROADCASTING - S.E. IDAHO TV, L.L.C.

NPG of Idaho, Inc.

By its Sole Member, Fisher Broadcasting Company

Bv:

Name Colleen B. Brown

Title: President and Chief Executive Officer By:

Name: Title: IN WITNESS WHEREOF, this Agreement has been executed by the parties effective as of the date first written above.

FISHER BROADCASTING - S.E. IDAHO TV, L.L.C.	NPG of Idaho, Inc.
By its Sole Member, Fisher Broadcasting Company	100000
By: Name: Title:	By: Mame: David R. Bradley Title: President

# Additional Defined Terms Used Within Joint Sales Agreement, dated December 7, 2010, by and Between Fisher Broadcasting - S.E. Idaho TV, L.L.C. and NPG of Idaho, Inc.

The following terms, as used in the attached Joint Sales Agreement, shall have the meanings set forth below (as provided in the defined terms section of that certain Shared Services Agreement, entered into by the parties on December 7, 2010 (the "SSA")):

"Commencement Date" means January 1, 2011, or such other date designated in writing by the parties as the Commencement Date.

"Excess Spectrum" means, with respect to the Station or the Service Station, those channels or portions of the total digital bandwidth of the Station or the Service Station, respectively, other than the Primary Channel and the Secondary Channel.

"Low Power Television and TV Translator Stations" means stations KXPI-LP, Idaho Falls-Pocatello, Idaho, K10AW, Challis, Idaho, K11CP, Fish Creek, Idaho and K07QC, Driggs, Idaho; provided that if and at such time during the Term of this Agreement that Station Owner or any of its Affiliates becomes the holder of the FCC licenses with respect to any other stations deemed either a "Television broadcast translator station" or a "Low power TV station" for purposes of Title 47, Sections 74.701(a) and (f) of the Code of Federal Regulations, such stations shall be deemed "Low Power Television and TV Translator Stations" for purposes of this Agreement.

"Network" means any national television network that is a party to any network affiliation agreement to which Station Owner is also a party with respect to the Station.

"Primary Channel" means, with respect to the Station or the Service Station, the program stream designated by Station Owner or Service provider, respectively, as the primary digital signal (in High Definition or standard definition) and program-related material transmitted thereby or thereon, which, for the avoidance of doubt, prior to the cessation of analog broadcasting by the Station and the Service Station pursuant to the federally mandated transition to digital television, was the program stream of the analog signal of the Station or the Service Station, as applicable.

"Secondary Channel" means, (i) with respect to the Station, the program stream designated by Station Owner as the secondary digital signal (in High Definition or standard definition) and program-related material transmitted thereby or thereon, which currently is the digital program stream of the Station (channel 3.2) and (ii) with respect to the Service Station, the program stream designated by Service Provider as the secondary digital signal (in High Definition or standard definition) and program-related material transmitted thereby or thereon, which currently is the digital program stream of the Service Station (channel 8.3).

Additionally, the following terms, as used in the attached Joint Sales Agreement, shall have the meanings set forth below (as provided in the body of the SSA):

Adjusted Aggregate Expenses: [REDACTED].

Adjusted Net Cash Flow: [REDACTED].

*Combined Website* means a "a website for the Station, which may combine the current Station website with a website for the Service Station and be operated as a single website for the Station and the Service Station."

Shared Services Operating Budget: [REDACTED].

Station Website: means a "a website associated with the Station."