Transferee makes the following disclosure in response to Question 8.c.1 of Section IV, and the accompanying worksheet regarding family relationships.

BACKGROUND:

On March 3, 1997, Uhlmann/Latshaw Broadcasting, LLC ("Uhlmann/Latshaw") (transferor), Rocky Mountain Broadcasting Company ("Rocky Mountain") (permittee) and Meridian Communications of Montana, Inc. ("Meridian") (transferee) entered into a Stock Purchase Agreement (*see* Exhibit 6, Attachment 1), Construction and Lease Agreement (*see* Exhibit 1, Attachment 5), and Time Brokerage Agreement, relating to KMTF, Helena, Montana. At that time, Beartooth Communications Company ("Beartooth"), whose majority owner is James Rogers, the father of the owners of Meridian (Suzanne Rogers, Perry Rogers and Kimberly Cell), was in negotiations to purchase commercial television station KTVH, Helena, Montana. Beartooth had previously considered purchasing KMTF for its own purpose, but instead purchased NBC affiliate KTVH when a pending assignment of the KTVH license to another party failed to close.

James Rogers did not participate in the negotiations or decision-making regarding the above-referenced agreements concerning KMTF. Intermountain West Communications Company ("Intermountain"), previously called Sunbelt Communications Company, the then majority owner (now 100% holding company) of Beartooth, provided Uhlmann/Latshaw a guarantee of Meridian's payments under, and lent Meridian funds between 1996 and 2005 to assist with Meridian's obligations pursuant to, the March 3, 1997 Stock Purchase and Construction and Lease Agreements, and the Time Brokerage Agreement in effect between Rocky Mountain and Meridian from August of 1998 through October of 1999. The lending relationship between Intermountain and Meridian ended in 2005, at which time Meridian had repaid all principal and interest owed by Meridian to Intermountain. Between the compliance date of the debt/equity plus rules (August 2000), and August 2005, the maximum outstanding debt held by Intermountain in Meridian was approximately $24,500, or 12.5% of Meridian's total assets. The guarantee remains in effect as to the Construction and Lease and Stock Purchase Agreements.

On August 1, 1998, to assist with the fulfillment of its obligations under the master Construction and Lease Agreement with Uhlmann/Latshaw and Rocky Mountain to construct, lease and maintain the KMTF studio and transmission facilities, Meridian entered into a secondary Co-Location/Co-Use Agreement with Beartooth (*see* Exhibit 1, Attachment 6) for the provision by Beartooth of KMTF's studio space and furnishings, transmission facilities, time-limited news services, engineering, computer, receptionist and transmitter maintenance services.

On October 13, 1999, the Time Brokerage Agreement Rocky Mountain had entered into with broker Meridian was assigned to Beartooth as broker, and in October 2001 when that agreement became attributable to Beartooth, Rocky Mountain and Beartooth filed a request for waiver of the Commission's multiple ownership rules. The Time Brokerage Agreement terminated on August 15, 2005 and was not renewed. Rocky Mountain then resumed responsibility for the day-to-day programming function of KMTF and entered into the current Joint Sales Agreement with Beartooth (*see* Exhibit 1, Attachment 1).

On August 15, 2005, Uhlmann/Latshaw, Rocky Mountain and Meridian entered into a new master Construction and Lease Agreement (*see* Exhibit 1, Attachment 3), which superseded the March 3, 1997 Construction and Lease Agreement among the parties, and provided that Meridian would construct and lease to Rocky Mountain digital facilities for KMTF and maintain the present studio and transmission facilities of KMTF. On August 15, 2005, Beartooth and Meridian entered into a First Amendment to Co-Location/Co-Use Lease Agreement (*see* Exhibit 1, Attachment 4), which superseded the August 1, 1998 Co-Location/Co-Use Agreement among the parties, whereby Meridian, again in connection with the fulfillment its obligations under the master Construction and Lease Agreement with Uhlmann/Latshaw and Rocky Mountain, agreed with Beartooth that Beartooth would provide studio space, transmission facilities, and engineering/transmitter maintenance services for KMTF. Both August 15, 2005 facilities agreements remain in effect presently.

Rocky Mountain and Beartooth entered into a Shared Services Agreement August 30, 2010, and an Addendum thereto on September 7, 2010 (*see* Exhibit 1, Attachment 2). Under these agreements, Rocky Mountain employees may provide production and sales services to KTVH, and Beartooth employees may provide reception, traffic and back-up master control services to KMTF.[1]

For the 12 years KMTF has been on the air, it has struggled to make revenue and has never made a profit. The arrangements described herein have permitted KMTF to remain on the air and thus serve the Helena community and public interest. As described herein, KMTF has been and remains under the control of Rocky Mountain, which, pending approval of this

[1] From January 5, 2009, until August 30, 2010, an agreement, memorialized in an e-mail (see Exhibit 1, Attachment 7), existed for the provision by KTVH to KMTF of limited back-up reception and vacation staffing. That agreement was superseded by the August 30, 2010 Shared Services Agreement.

application, remains under the control of Uhlmann/Latshaw.

EXISTING AGREEMENTS RELATIVE TO KMTF:

The material provisions of each of the existing agreements are set forth below. They include that Uhlmann/Latshaw maintain 51% of the ownership and control of Rocky Mountain and KMTF unless and until Uhlmann/Latshaw and Meridian consummate the transfer of control to Meridian contemplated therein. All agreements to which Rocky Mountain is a party (or has been a party) provide that Rocky Mountain maintains full control over KMTF operations. The Shared Services Agreement and Joint Sales Agreement provide that Rocky Mountain maintain full control over KMTF's "programming, editorial policies, employees and facilities," and the Construction and Lease Agreement provides that Rocky Mountain "shall control daily operation; shall determine and carry out all policy decisions…." In addition, the following terms are in place in each respective existing agreement.

1. The January 21, 1997 guarantee from Intermountain in favor of Uhlmann/Latshaw, which remains in effect with respect to Meridian's obligation for $10,000 of the remaining $60,000 due Uhlmann/Latshaw under the Stock Purchase Agreement, and Meridian's obligations under the master Construction and Lease Agreement with Rocky Mountain, has never been invoked. That guarantee includes the following language:

> Sunbelt [(Intermountain)] is not nor does it intend to be a joint venturer with ULB, RMBC or Meridian. Sunbelt [(Intermountain)] will not exercise any control over the operation or management of Meridian or channel 10. Sunbelt's [(Intermountain's)] role is limited to that of a guarantor of the amounts specified in this letter. In the event that Meridian fails to meet the financial obligations specified above, and provided the transaction envisioned by the agreements with respect to channel 10 is consummated, Sunbelt [(Intermountain)] will expend funds in accordance with this letter. Subject to the following paragraph, this guarantee is not revocable, but rather will terminate only after all of the financial obligations described herein have been satisfied.
>
> If the FCC determines that Sunbelt's [(Intermountain's)] guarantee is inconsistent with its obligations as a licensee or is otherwise contrary to FCC policies, rules and regulations, or if regulatory or legislative action subsequent

> to the date of this letter alters the permissibility of the guarantee under the FCC's Rules or the Communications Act, the guarantee will be renegotiated in good faith and restated in terms that will be designed to cure the defects perceived by the FCC while remaining consistent with the terms outlined in this letter.

2. Under the March 3, 1997 Stock Purchase Agreement, Uhlmann/Latshaw sold 49 of its 100 shares of Rocky Mountain to Meridian on September 17, 1997 for $73,500, and on that same date sold to Meridian for $66,500 an option to purchase the remaining 51 shares of Rocky Mountain. The option was initially exercised on August 18, 1999, but immediately placed on hold until August 30, 2006, when the parties amended the purchase price for Uhlmann/Latshaw's 51 shares to $60,000, and agreed to use best efforts to file the instant transfer of control application by September 15, 2006. The 1997 Stock Purchase Agreement states, “[t]he right to exercise control over the operations of the Station shall remain with the licensee at all times, and shall, prior to any transfer of [Uhlmann/Latshaw's] 51% interest with respect to the Station as set forth herein, be exercised through [Uhlmann/Latshaw] as controlling shareholder of the licensee…. The right to vote the 51 shares of [Rocky Mountain] owned by [Uhlmann/Latshaw] and to exercise control over the company shall remain in [Uhlmann/Latshaw] until the Closing."

3. The August 15, 2005 Joint Sales Agreement between Rocky Mountain and Beartooth permits Beartooth to sell to advertisers all of the time available for commercial announcements on KMTF, subject to all local, state and federal regulations and pertinent governmental policies. Beartooth is permitted to set advertising rates but Rocky Mountain has authority to override those rates in dealing with any specific advertiser. Beartooth collects all revenues from the sale of such time and pays monthly to Rocky Mountain the first $12,000 of monthly revenue plus any additional amount necessary to reimburse Rocky Mountain for its monthly Station expenses; Beartooth retains the next $12,000 of revenues; then for additional income Rocky Mountain receives seventy-five percent (75%) thereof and Beartooth receives twenty-five percent (25%) thereof. Beartooth is to employ staff for the sale of KMTF’s advertising time. Rocky Mountain must retain sufficient staff to oversee all of its business and financial matters not otherwise specifically delegated to Beartooth under the Agreement. Additionally the Joint Sales Agreement states:

> During the term of this Agreement, Rocky [Mountain] shall continue to maintain full control over the operations of the Station, including

programming, editorial policies, employees of Rocky [Mountain], and Rocky [Mountain]-controlled facilities. Rocky [Mountain] is responsible for the Station's compliance with the Communications Act of 1934, as amended, FCC rules, regulations and policies and all other applicable laws. Rocky [Mountain] shall be solely responsible for and pay in a timely manner all expenses relating to the operation of the Station other than the sale of advertising time, including but not limited to, maintenance of the studios and transmitting facilities and all taxes and other costs incident thereto; payments due under any leases, contracts and agreements; music performance license fees; and all utility costs relating to the operation of the Station. Rocky [Mountain] may, in its sole discretion, decline to accept advertising sold by Beartooth, in the event that it reasonably believes that the broadcast of such advertising would violate applicable laws or regulations, would damage Rocky [Mountain]'s reputation in the community, or would otherwise be contrary to the public interest, or preempt any of the commercial time sold by Beartooth in order to present program material of pressing public interest or concern.

4. The August 15, 2005 Construction and Lease Agreement between Rocky Mountain and Meridian provides that Meridian will continue to provide and maintain the studio and transmitter facilities constructed pursuant to the March 3, 1997 Construction and Lease Agreement between the parties, as well as purchase or lease all necessary facilities to construct and lease to Rocky Mountain KMTF's digital facilities. The 2005 Construction and Lease Agreement further provides that "[t]he construction and operation of the Station shall be undertaken under RMBC's ultimate supervision and control" It gives Rocky Mountain "unfettered use of all Station facilities and equipment," provides that Rocky Mountain "shall control daily operation; shall determine and carry out all policy decisions, including preparation and filing of applications with the FCC; and shall be in charge of employment, supervision and dismissal of personnel." Lease payments under this agreement consist of the monthly transmitter and studio rental paid by Meridian, plus the total capital expenditures incurred by Meridian thereunder, to be paid over the course of the Agreement.

5. The August 30, 2010 Shared Services Agreement between Rocky Mountain and Beartooth ("Shared Services Agreement") provides that Rocky Mountain employees may provide production services to KTVH, and that Beartooth employees may provide reception, traffic and back-up master control services to KMTF. Pursuant to

the September 7, 2010 Addendum to Shared Services Agreement ("Addendum"), Rocky Mountain employees may also provide sales services to KTVH. In consideration for the services Beartooth provides to KMTF under the Shared Services Agreement, Rocky provides the specified production services to KTVH and pays Beartooth the monthly fee of $250. In consideration for the sales services Rocky Mountain provides to KTVH under the Addendum, Beartooth pays Rocky Mountain the monthly fee of $250. The Agreement states that the sharing arrangements will be "subject in all events to the supervision and control of management of the Station to which such functions relate…." Additionally, the shared services may involve, "sharing facilities (including co-located facilities) of one Party on behalf of the other, and non-managerial administrative and/or master control and technical facilities of one Party on behalf of the other." The Agreement goes on to state, "[a]ll arrangements contemplated by this Agreement will be subject to, and are intended to comply in all respects with, the Communications Act of 1934, as amended (the "Act"), the rules, regulations and policies of the Federal Communications Commission (the "FCC"), as in effect from time to time (the "FCC Rules and Regulations"), and all other applicable laws. The arrangements made pursuant to this Agreement will not be deemed to constitute "joint sales," "program services," "time brokerage," "local marketing," or similar arrangements or a partnership, joint venture, or agency relationship between the Parties or the Stations, and no such arrangement will be deemed to give either Party any right or ability to control the policies, operations, management or any other matter relating to the other Station. Each Party shall perform the services required of it hereunder in a manner that complies in all material respects with the Act and all other applicable laws, rules, regulations and generally accepted broadcast industry standards....Each of the Stations shall at all times retain its own independent management personnel responsible for each such Station's senior management, programming and finances. No such management personnel shall participate in the management of the other Station." As to personnel, the Agreement states that "[e]ach Party shall employ and be responsible for the salaries, benefits, employer taxes, and related costs of employment of its own staff. Each Party shall retain sufficient staff to oversee those aspects of its business and financial matters not specifically subject to the sharing of services pursuant hereto."

6. Meridian's August 15, 2005 secondary Co-location/Co-Use Lease Agreement with Beartooth relating to Meridian's fulfillment of its obligations in connection with the Rocky Mountain/Meridian master Construction and Lease Agreement provides for the lease to Meridian of KMTF's studio space including furnishings, analog and

digital transmission facilities, and engineering and transmitter maintenance services. Meridian is obligated to pay Beartooth under this Agreement the monthly fee of $500 per month plus 15% of Meridian's operating profit up to $10,000. This fee has remained at $500 throughout the Agreement given the absence of any operating profit in Meridian.

CONCLUSION:

Transferee submits that the above-described relationships have been and remain established to provide that in all circumstances Rocky Mountain, under the control of Uhlmann/Latshaw pending Commission approval of this application, retains control over its personnel, programming, and finances in satisfaction of the requirements of the Communications Act of 1934 and the rules and policies of the Commission.

As to other markets, Meridian's principals are the same as those of Meridian Communications of Idaho, Inc. ("Meridian-Idaho"), permittee of the construction permit for analog television Channel 20, Idaho Falls, Idaho (File No. BPCT-19950306KF, presently tolled pending the resolution of an Application for Review). However, neither Meridian nor Meridian-Idaho has any agreements with Intermountain, its subsidiaries or James Rogers in the Pocatello/Idaho Falls, Idaho market, with the exception of an existing option to lease space for transmission facilities on a tower owned by Intermountain's subsidiary Oregon Trail Broadcasting Company, permittee of KPVI-DT, Pocatello, Idaho. There are no other relationships of the family members' media interests in other markets. Neither James Rogers nor any Intermountain subsidiaries have any interest or involvement in the commercial FM permit for Trinidad, California (File No. BMPH-20070523ADS, presently tolled pending the resolution of an Application for Review; currently operating pursuant to Special Temporary Authority, File No. BLSTA- 20101022ACQ), owned by Suzanne Rogers' and Brian Plant's Airen Broadcasting Company. Neither Suzanne Rogers, Brian Plant, Perry Rogers nor Kimberly Cell has any present involvement with Intermountain or any of its subsidiary licensees or permittees.

The Rogers siblings have careers and business endeavors independent of their father and Intermountain. Likewise, Brian Plant, Suzanne Rogers' husband, is independent. Suzanne Rogers has been a practicing attorney for 22 years, in private practice in Sacramento, California, since late 1993, and with the Office of the Comptroller of the Currency for the five years prior to that. Ms. Rogers owns and manages, with her husband Brian Plant, Airen Broadcasting Company, the permittee of KZCC(FM), Trinidad, California, operating since 2007. Ms. Rogers is admitted to practice in California, the District of Columbia, and Nevada, and is a member of the Federal Communications Bar Association and the California Broadcasters Association.

Kimberly Cell, who has resided in Colorado since 1994, has been independently employed in sales for most of her 19-year career, including print and broadcast media. Perry Rogers is a licensed attorney in Nevada and presently a principal in PR Partners, a sports representation and business and management consulting firm. Brian Plant has been a practicing attorney for 24 years, in private practice with local Sacramento firms since 1993, and, prior to that, with Brobeck Phleger & Harrison, LLP, and the Department of Justice.