

JOINT SALES AGREEMENT

This Joint Sales Agreement ("Agreement") is entered into as of August 15, 2005 by and between Rocky Mountain Broadcasting Company, a Nevada Corporation, ("Rocky") and Beartooth Communications Company, a Nevada Corporation ("Beartooth"). Rocky and Beartooth are referred to collectively as the "Parties."

WHEREAS, Rocky is the licensee of television station KMTF(TV) and KMTF-DT, Helena, Montana (the "Station"); and

WHEREAS, Beartooth desires to purchase advertising time on the Station.

NOW, THEREFORE, for and in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

1. **TERM**. The Initial Term of this Agreement shall be five (5) years, and shall commence on August 15, 2005. Unless otherwise terminated by either Party, the term of this Agreement shall be extended for an additional five (5) year term. Either Party may terminate this Agreement at the end of the initial five (5) year term by six (6) months prior written notice to the other. Notwithstanding anything herein to the contrary, either Party shall be entitled to terminate this Agreement effective any time after the first year of the Initial Term by providing ninety (90) days prior written notice to the other Party. Additionally, Beartooth shall be entitled to terminate this Agreement upon prior written notice to Rocky effective upon the closing of a sale of the assets of Rocky related to the Station to a party not affiliated with Rocky.
2. **ADVERTISING TIME**. Rocky agrees that during the term of this Agreement, it will sell to Beartooth, and will permit Beartooth to resell to advertisers, all of the time available for commercial announcements on the Station. All advertising announcements furnished by Beartooth shall comply with all local, state and federal regulations and pertinent governmental policies, including, but not limited to, lottery restrictions, prohibitions on obscenity and indecency, deceptive advertising, false representations or deception of any kind, and political broadcasting rules. Beartooth shall notify Rocky in advance of the broadcast of any material which promotes or opposes any candidate for public office or any issue to appear on a ballot or takes a position on a controversial issue of public importance. No material constituting a Personal Attack within the meaning of the FCC's rules and regulations or which is defamatory, violates any right of privacy, infringes on any intellectual property right of another party, or is not in the English language will be accepted for broadcast. Beartooth shall furnish Rocky with all material required to be made available for public inspection regarding requests for time by political candidates or the broadcast of controversial issue advertising, including information regarding receipt of any request by or on behalf of a candidate for time and the disposition thereof (whether or not time was furnished and, if so, the terms and conditions thereof), and the names of officers

and directors of any sponsor of controversial issue advertising. All material furnished by Beartooth for broadcast on the Station shall include any and all sponsorship identification announcements as required by Section 317 of the Communications Act of 1934, as amended, and the FCC's rules and regulations, and Beartooth shall undertake in good faith to determine each instance where such announcements are required. To assist Beartooth in its advertising time sales efforts, Rocky shall, during the term of this Agreement, give to Beartooth at least 90 days advance notice of any change in its television network affiliation agreement then in effect.

3. **REVENUES.** Beartooth shall collect on behalf of Rocky all of the Station's accounts receivable pertaining to the Station in existence on the first day of the term of this Agreement (the "Accounts Receivable"), as well as all revenues attributable to commercial advertisements sold by Beartooth, and all other advertising time revenue received, in each case with respect to commercial advertisements broadcast during the term hereof (collectively hereinafter the Accounts Receivable and all such revenues shall be referred to as "Advertising Income"). Subject to Section 4 below, Rocky shall be entitled to all Advertising Income.
4. **PAYMENTS.** On the 5th of each month, Beartooth shall pay to Rocky the first \$12,000 , plus any additional amount necessary to reimburse Rocky for all of Rocky's costs of Station operation during the prior month, including but not limited to the costs Rocky incurs for personnel, programming, transmitter site and studio rent, music licensing fees, taxes, engineering, legal and other professional and outside consultancy expenses reasonably necessary for station operation ("Initial Share") of all Advertising Income earned during the prior month and Beartooth shall retain the next \$12,000 ("Second Share") of the prior month's Advertising Income; provided, however, that Beartooth shall pay Rocky the Initial Share on the 5th of each month notwithstanding that Advertising Income earned during the prior month was less than the Initial Share. If Advertising Income for the previous month exceeds the Initial Share plus the Second Share ("Additional Advertising Income"), Beartooth shall pay to Rocky, by the 25th of each month, seventy-five percent (75%) of the prior month's Additional Advertising Income. Beartooth shall retain twenty-five percent (25%) of the prior month's Additional Advertising Income.
5. **ROCKY'S BROADCAST OBLIGATIONS.** During the term of this Agreement, Beartooth shall assume, and undertake the administration and servicing of all of the Station's contracts and other agreements which provide for the sale and broadcast of advertising and related activities. All revenues arising from such contracts and agreements for advertising broadcast during the term of this Agreement shall be governed pursuant to this Agreement even though the time was sold by Rocky. All expenses incurred in the sale of advertising time pursuant hereto shall be the responsibility of Beartooth. Rocky shall remain obligated to pay all fees, commissions or other amounts due under Rocky's

contracts and other agreements, including but not limited to, agreements that arise prior to the first day of the term of this Agreement, and that may be reimbursed by Beartooth.

6. **PERSONNEL.** Beartooth shall employ and be responsible for the salaries, benefits, employer taxes, and related costs of employment of a sales staff for the sale of the advertising time and for the collection of the accounts receivable with respect to advertising sold by Beartooth pursuant to this Agreement. Rocky shall retain sufficient staff to oversee those aspects of its business and financial matters not specifically delegated to Beartooth hereunder.
7. **INTERRUPTION OF NORMAL OPERATIONS.** If the Station suffers loss or damage of any nature to its transmission facilities which results in the interruption of service or the inability to operate full time at maximum authorized facilities, Rocky shall immediately notify Beartooth and shall undertake such repairs as are necessary to restore the full-time operation of the Station. If the Station does not resume operation with at least 80% of its authorized signal coverage within one hundred twenty (120) hours, Rocky shall so notify Beartooth. Upon receipt of such notification, Beartooth may, at its option, terminate this Agreement. In such event, Beartooth shall be entitled to a *pro rata* refund of the payments made pursuant to Section 4 hereof in excess of the Initial Share for advertising not aired with an 80% or better signal.
8. **OPERATION OF STATION.** During the term of this Agreement, Rocky shall continue to maintain full control over the operations of the Station, including programming, editorial policies, employees of Rocky, and Rocky-controlled facilities. Rocky 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 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 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'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. Rocky shall promptly notify Beartooth of any such rejection or rescheduling of advertisers. In the event Beartooth sustains any liability or loss of revenue as a result of the rejection or rescheduling by Rocky of any advertising for any reason other than as set forth above, Rocky shall promptly indemnify Beartooth for any and all such losses. Beartooth shall not enter into any contract, without Rocky's approval, that would be violated if Rocky reasonably exercised its foregoing rights.

9. **ADVERTISING RATES.** The rates for advertising sold by Beartooth shall be set by Beartooth, provided, however, that Beartooth shall comply with all applicable statutes and regulations regarding access to airtime and rates charged for political advertising and shall indemnify Rocky against any liability incurred by Rocky as a result of Beartooth's failure to comply with such statutes and regulations. Notwithstanding anything herein to the contrary, at the request of an advertiser, Rocky may set a reasonable rate for time on the Station and sell time in accordance with such rates for the account of Beartooth for broadcast during the term of this Agreement.
10. **DELIVERY OF MATERIAL FOR BROADCAST.** All advertising material furnished by Beartooth for broadcast of the Station shall be delivered to Station on tape cartridges, or other mutually agreeable method including that necessary to comply with the Station's existing system with the WB 100+ Network (the Station-in-a-Box commercial insertion system), in a format to be agreed upon by Beartooth and Rocky, in a form ready for broadcast on the Station's existing playback equipment, and with quality suitable for television broadcast. Rocky shall not be required to provide production services or to copy, reformat, or otherwise manipulate material furnished by Beartooth other than inserting tape cartridges in machinery for broadcast.
11. **BILLING.** Beartooth shall keep written records relating to the sale of commercial advertising consistent with Beartooth's past practices at its existing stations.
12. **ROCKY'S REPRESENTATIONS AND WARRANTIES.**
- (a) Rocky represents and warrants as follows:
- (i) Except as set forth on Exhibit A hereto, there is not now pending, nor to Rocky's best knowledge is there threatened, any action by the FCC or any other party to revoke, cancel, suspend, refuse to renew or otherwise modify any of such licenses, permits or authorizations.
- (ii) Rocky is not in material violation of any statute, ordinance, rule, regulation, policy, order, or decree of any federal, state, or local entity, court, or authority having jurisdiction over it, the Station, or over any part of their operations or assets, which default or violation would have a materially adverse effect upon Rocky, its assets, the Station, or upon Rocky's ability to perform this Agreement.
- (iii) During the term of this Agreement, Rocky shall not take any action or omit to take any action which would put it in material violation of or in default under any agreement to which Rocky or its owners is a party, which default or violation would have a material adverse impact upon

Rocky, its assets, or the Station or upon Rocky's ability to perform this Agreement.

(iv) To the knowledge of Rocky, all material reports and applications required to be filed by Rocky with the FCC or any other governmental body prior to the date hereof have been filed in a timely and complete manner. During the term of this Agreement, Rocky will file all reports and applications required to be filed with the FCC or any other governmental body in a timely and complete manner. Rocky will maintain Station's facilities in accord with good engineering practice and in compliance in all material respects with the engineering requirements set forth in the Station's FCC licenses, including broadcasting at substantially maximum authorized power (except at such time that reduction in power is required for routine and emergency maintenance).

(v) Rocky may, during the term of this Agreement, dispose of any of its assets so long as: (1) such action does not adversely affect Rocky's ability to perform its obligations hereunder; and (2) such action does not abrogate any of Beartooth's rights hereunder.

(b) Beartooth and Rocky each represent and warrant to the other that it has the power and authority to enter into this Agreement and to engage in the transactions contemplated by this Agreement. Beartooth and Rocky are each a Nevada corporation in good standing and qualified to do business in the State of Montana. The signatures appearing for Beartooth and Rocky, respectfully, at the end of this Agreement have been affixed pursuant to such specific authority as, under applicable law, is required to bind them. Neither the execution, delivery, nor performance by Rocky or Beartooth of this Agreement conflicts with, results in a breach of, or constitutes a default or ground for termination under any agreement or judicial or governmental order or decree to which Rocky or Beartooth, respectively, is a party or by which it is bound.

13. **EVENTS OF DEFAULT.** The following shall, after the expiration of the applicable cure periods, constitute Events of Default under the Agreement:

(a) **Non-Payment.** Beartooth's failure to remit to Rocky any payment described in Section 4 above in a timely manner.

(b) **Default in Covenants.** The default by either party hereto in the material observance or performance of any material covenant, condition, or agreement contained herein, or if any material misrepresentation or warranty herein made by either party to the other shall prove to have been false or misleading as of the time made.

14. **DEFAULT; CURE PERIOD; AND TERMINATION.** An Event of Default shall not be deemed to have occurred until ten (10) business days after the

nondefaulting party has provided the defaulting party with written notice specifying the event or events which if not cured would constitute an Event of Default and specifying the actions necessary to cure within such ten day period, provided no such cure is made by the defaulting Party within the ten (10) day cure period. The notice period provided in this Section shall not preclude Rocky from at any time preempting or refusing to broadcast any advertising furnished by Beartooth. If Beartooth has defaulted in the performance of its obligations and has failed to cure such default within the applicable time period, Rocky shall be under no further obligation to make commercial time available to Beartooth, and all amounts then due and payable to Rocky shall immediately be paid to Rocky.

15. **OTHER AGREEMENTS.** Rocky will not enter into any other commercial time sales (except as permitted by Section 3 hereof), time brokerage, local marketing or similar agreement for the Station with any third party during the term of this Agreement. Rocky will also not purchase or accept for broadcast on the Station any programming that includes commercial advertising sold by any third party without Beartooth's consent, excluding national advertising time sold in network programming and nationally syndicated barter programming aired on the Station.
16. **LIABILITIES AFTER TERMINATION.** After the expiration or termination of this Agreement for any reason other than the assignment of the Station's assets to Beartooth or any assignee of Beartooth, (i) Rocky shall be responsible for broadcasting such advertising on the Station as may be required under advertising contracts entered into by Beartooth during the term of this Agreement and (ii) Rocky shall be entitled to any revenues for advertising broadcast after termination of this Agreement.
17. **INDEMNIFICATION; INSURANCE.** Beartooth shall indemnify and hold Rocky 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 advertising or other material furnished by Beartooth for broadcast on the Station, along with any fine or forfeiture imposed by the FCC because of the content of material furnished by Beartooth or any conduct of Beartooth. Rocky shall indemnify and hold Beartooth and its officers, directors, agents and employees harmless from any failure by Rocky to broadcast advertising material furnished by Beartooth except as permitted by Section 8 of this Agreement. Indemnification shall include all liability, costs and expenses, including counsel fees (at trial and on appeal). The indemnification obligations under this Section shall survive any 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 time to allow the defending 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, subject to the indemnifying party's reasonable approval,

provided, however, that no claim may be settled by an indemnifying party without the consent of the indemnified party, 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 amounts the claimants agreed to accept in settlement. Beartooth and Rocky shall each carry (A) comprehensive general liability insurances with reputable companies covering their activities under this Agreement, in an amount not less than One Million Dollars (\$1,000,000); (B) worker's compensation and/or disability insurance; and (C) libel/defamation/First Amendment liability insurance, with a deductible of no more than \$100,000. Each party will name the other party as an additional insured on these policies.

18. **NO PARTNERSHIP OR JOINT VENTURE.** The Agreement is not intended to be, and shall not be construed as, an agreement to form a partnership, agency relationship, or a joint venture between the parties. Except as otherwise specifically provided in the Agreement, neither party shall be authorized to act as an agent of or otherwise to represent the other party.
19. **SUCCESSORS AND ASSIGNS.** Neither party may assign its rights and obligations under this Agreement, either in whole nor in part, without the prior written consent of the other; however, such consent shall not be unreasonably withheld. The covenants, conditions and provisions hereof are and shall be for the exclusive benefit of the parties hereto and their permitted successors and assigns, and nothing herein, express or implied, is intended or shall be construed to confer upon or to give any person or entity other than the parties hereto and their permitted successors and assigns any right, remedy or claim, legal or equitable, under or by reason of this Agreement. This Agreement shall be binding upon and inure to the benefit of the parties and their respective permitted successors and assigns.
20. **AUTHORITY; CONSTRUCTION; ENTIRE AGREEMENT.** Both Rocky and Beartooth represent that they are legally qualified and able to enter into this Agreement, which shall be construed in accordance with the laws of the State of Nevada without regard to principles of conflict of laws. This Agreement embodies the entire agreement between the parties with respect to the subject matter hereof and thereof, and there are not other agreements, representations, or understandings, oral or written, between them with respect thereto.
21. **MODIFICATION AND WAIVER.** No modification or waiver of any provision of the Agreement shall be effective unless in writing and signed by the party against whom such modification or waiver is asserted, and no failure to exercise any right, power or privilege hereunder shall operate to restrict the exercise of any other right, power or privilege upon the same or any other occasion. The rights, powers, privileges, and remedies of the parties hereto are cumulative and are not exclusive of any rights, powers, privileges or remedies which they may have at law, in equity, by statute, under this Agreement, or otherwise.


22. **UNENFORCEABILITY.** If any provision 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 provision 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 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. If the Parties are unable to negotiate a mutually acceptable modified Agreement, then either party may terminate this Agreement upon written notice to the other, and each Party shall be relieved of any further obligations, one to the other.
23. **NOTICES.** Any notice required hereunder shall be in writing and any payment notice, or other communication shall be deemed given when delivered personally or, in the case of communications other than payments, delivered by facsimile as follows:
- To Rocky: Rocky Mountain Broadcasting Company
455 Capitol Mall, Suite 210
Sacramento, California 95814
Attention: Suzanne E. Rogers
- Facsimile: (916) 448-6455
- To Beartooth: Beartooth Communications Company
1500 Foremaster Lane
Las Vegas, Nevada 89101
Attention: James E. Rogers
- Facsimile: (702) 642-3093
24. **COUNTERPARTS.** This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

25. **HEADINGS.** The headings are for convenience only and will not control or affect the meaning or construction of the provisions of this Agreement.
26. **DISPUTE RESOLUTION; WAIVER OF JURY TRIAL.** Any action to enforce or interpret this Agreement, or to resolve disputes with respect to this Agreement as between the parties, shall be settled in accordance with this Section 26. Should any dispute, controversy or claim arise from or relate to this Agreement, or its making, performance, or interpretation, the Parties must first attempt to resolve the dispute in good faith between themselves. If the Parties are unable to resolve the dispute among themselves, the Parties shall then attempt in good faith to resolve the dispute by mediation under the commercial mediation rules of the American Arbitration Association then in effect, by a mediator jointly selected by the parties from persons who are specialized in general commercial litigation or general commercial matters. If the dispute has not been resolved by mediation as provided above within sixty (60) days, or such other reasonable time period agreed upon in writing between the parties, after the written notice by one Party to the other of the existence and nature of the dispute to be resolved, then the dispute shall be settled by arbitration in accordance with the rules of the American Arbitration Association. Arbitration shall be the exclusive dispute resolution process in the State of Nevada. Any Party may commence arbitration by sending a written demand for arbitration to the other Parties. Such demand shall set forth the nature of the matter to be resolved by arbitration. The Parties shall mutually select the place of arbitration from a venue within the State of Nevada. The substantive law of the State of Nevada shall be applied by the arbitrator to the resolution of the dispute. The Parties shall share equally all initial costs of arbitration. The prevailing Party shall be entitled to reimbursement from the other Party of attorney fees, costs, and expenses incurred in connection with the arbitration. All decisions of the arbitrator shall be final, binding, and conclusive on all parties. Judgment may be entered upon any such decision in accordance with applicable law in any court having jurisdiction thereof. The arbitrator (if permitted under applicable law) or such court may issue a writ of execution to enforce the arbitrator's decision. Notwithstanding anything herein to the contrary, a Party seeking specific enforcement or injunctive relief as to a term of this Agreement may seek such relief (including a temporary restraining order or preliminary injunction) in a state court in the State of Nevada or Montana, as the case may require. AS A SPECIFICALLY BARGAINED INDUCEMENT FOR EACH OF THE PARTIES TO ENTER INTO THIS AGREEMENT, EACH PARTY EXPRESSLY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY LAWSUIT OR PROCEEDING RELATING TO OR ARISING IN ANY WAY FROM THIS AGREEMENT.

(REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)

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

ROCKY MOUNTAIN BROADCASTING COMPANY

By: 
Name: Stanley P. Cyphers
Title: Executive Vice President

BEARTOOTH COMMUNICATIONS COMPANY

By: _____
Name: Ralph Toddre
Title: President and Chief Operating Officer

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

ROCKY MOUNTAIN BROADCASTING COMPANY

By: _____
Name: Stanley P. Cyphers
Title: Executive Vice President

BEARTOOTH COMMUNICATIONS COMPANY

By: _____
Name: Ralph Todde
Title: President and Chief Operating Officer

EXHIBIT A
PENDING PROCEEDINGS REGARDING THE STATION LICENCES

1. Informal Objection filed on January 16, 2004 by KRTV Communications, Inc. against Rocky Mountain Broadcasting Co. for Television Translator Station
2. Petition to Revoke and Deny the Licenses, Authorizations and Applications of Rocky Mountain Broadcasting Company and Beartooth Communications Company filed by MMM License LLC February 13, 2004; Supplement thereto filed March 30, 2004
3. Comments filed by Cordillera Communications, Inc. on April 1, 2004 regarding Television Translator Station Channel 28 applied for by Rocky Mountain Broadcasting Company