

## **JOINT SALES AGREEMENT**

This Agreement (the "Agreement") is made as of July \_\_\_\_, 2001, by and between RIVERBOAT ACQUISITION LLC, a Delaware limited liability company ("Licensee") and LEGEND COMMUNICATIONS OF WYOMING, LLC, a Wyoming limited liability company ("Broker").

WHEREAS, Licensee has entered into that certain Stock Purchase Agreement dated as of April 16, 2001 with Gillette Broadcasting Company (the "Stock Purchase Agreement"), pursuant to which Licensee will purchase the stock of the entity that operates radio broadcast Stations KIML(AM) and KAML-FM, Gillette, Wyoming, (the "Stations");

WHEREAS, Licensee and Broker desire to utilize Broker's experience, after the closing of the Stock Purchase Agreement, in order to improve the overall efficiency of the Stations' sales processes and to reduce costs, thereby helping to ensure that the Stations remain economically viable.

NOW THEREFORE, in consideration of the mutual covenants herein contained and the payment by Broker to Licensee of the Payments, as described below, Licensee and Broker, intending to be legally bound, agree as follows:

### **1. Sold Time**

1.1. Licensee will make available to Broker for sale by Broker all of the commercial time offered by the Stations (the "Sold Time"). The Sold Time will include, at a minimum, the amounts listed on Schedule 1 hereto. The Sold Time will be made available to Broker beginning at 12:01 a.m. on the date following the Closing of the Stock Purchase Agreement, as such is defined therein (the "Commencement Date"). Licensee hereby grants Broker an exclusive right to sell the Stations' commercial air time, and agrees that Broker may sell such commercial air time in combination with the sale of advertising on any broadcast stations of its choosing. Broker's traffic personnel will cooperate with Licensee such that station identification and EAS announcements will be scheduled in a manner required by FCC rules and policies.

1.2. Licensee may, from time to time, preempt portions of the Sold Time to broadcast emergency information or programming that it deems necessary to fulfill its obligation to serve the public interest, and may refuse to broadcast any commercial announcement provided by Broker that Licensee, reasonably and in good faith, determines to be contrary to the public interest or violative of any federal, state or local law or regulation, or of the contractual or personal rights of others. Such authority will not be exercised by Licensee in an arbitrary manner, or for Licensee's commercial advantage.

1.3. The parties agree that Broker will have complete discretion to deal as it deems appropriate with all advertising accounts relating to commercial time sold by Broker.

## 2. Payments

In return for making the Sold Time available to Broker, Broker will pay to Licensee, in advance, on the first day of each calendar month during the Term, the amounts set forth in Schedule 2 (the "Payments"). All Payments will be made by Broker to Licensee's address hereinafter set forth in Section 15 hereof, or at such other place as Licensee may from time to time designate in writing. The Payments will be prorated for the first and last months hereof in the event that the first and last months of the Term are less than full calendar months.

## 3. Expenses

3.1. At all times during the Term of this Agreement, Licensee will be solely responsible, at its expense, for maintaining the Stations' transmission and program production facilities and main studio facilities located at premises under its control, for providing all programming on the Stations, other than commercial and promotional announcements, and for the payment of all fees and expenses relating to the operation of the Stations (other than those expenses designated in Section 3.2 as the responsibility of Broker) or necessary in order for Licensee to fulfill its obligations as a Federal Communications Commission ("FCC") licensee. Licensee agrees to assist Broker, at Broker's expense, in the production of commercial and promotional announcements when requested to do so by Broker.

3.2. Broker will be responsible for the expenses, debts and obligations of Broker resulting from Broker's purchase and resale of the Sold Time, including salaries, commissions, insurance, benefits, taxes, related costs for employees employed and any

others engaged by Broker in connection with the Broker's sale of the Sold Time to advertisers, and in connection with traffic and collections. Licensee will be responsible for the debts and obligations of Licensee resulting from the sale of the Stations' air time prior to the Commencement Date including, without limitation, accounts payable.

4. **Record Keeping**

Licensee will be responsible, at its expense, for maintenance of all FCC required logs and records for the Stations, provided that Broker shall, at its expense, provide traffic reports and supervision over the scheduling of all commercial and promotional announcements on the Stations; Broker will provide such traffic information to Licensee as may be necessary for the maintenance of required FCC records. Broker will furnish to Licensee, within a reasonable time after receipt thereof, all correspondence it receives from the public regarding the Stations' operations during Sold Time.

5. **"Payola" and "Plugola"**

Broker agrees that it will take steps consistent with broadcast industry standards to assure that its employees will not accept any consideration in money, goods, services or otherwise, directly or indirectly (including to relatives) from any person or company for the broadcast of any commercial announcement over the Stations without reporting the same to Broker, which will report as appropriate to Licensee's management, and without such broadcast being announced as sponsored. Broker understands that any violation of this provision is "payola," and constitutes a federal crime.

6. **Political Broadcasts**

Broker agrees that any advertising time within the Sold Time that it sells to any candidates for political office, or any person supporting a candidate for political office will be sold in strict accordance with the Communications Act of 1934, as amended ("the Act"), all rules and regulations of the FCC ("FCC Rules"), and the Licensee's policies promulgated to comply with FCC Rules concerning political broadcasting, and will be supported by documentation as required by the FCC. Such documentation will be transmitted to Licensee in a timely manner for inclusion in the Stations' political files. Broker will consult with Licensee and adhere to federal law and the FCC Rules with respect to the carriage of political advertisements in the Sold Time and the charges permitted for such advertisements. Licensee will maintain policies

concerning political broadcasting that are consistent with federal law and FCC Rules, and are not, to the extent possible, inconsistent with Broker's objectives under this Agreement.

7. **Compliance with Laws; Breach; Indemnification**

Each party agrees and covenants that it will comply in all material respects with all state, local and federal laws, rules and regulations, including without limitation the Act, FCC Rules, the contractual or personal rights of others, and with all other obligations, warranties, representations and covenants on its part under this Agreement, and the failure of either party to so comply without being cured will constitute a "Breach" of this Agreement. In the event of such Breach, the Breaching party hereby agrees to indemnify, defend and hold harmless the non-Breaching party, its officers, directors, shareholders, partners, affiliates, employees, successors and assigns from any and all losses, direct or indirect, damages, costs, liabilities, claims, obligations and expenses, including reasonable attorneys fees which the non-Breaching party may incur due to such Breach. These mutual obligations will survive any termination of this Agreement, and will continue until the expiration of all applicable statutes of limitations, and the conclusion and payment of all judgments which may be rendered in all litigation which may have been commenced prior to such expiration.

8. **Control of Stations; FCC Compliance**

Notwithstanding anything to the contrary contained in this Agreement, Licensee hereby certifies that, during the Term, it will maintain ultimate control over the Stations' facilities, including specifically, but without limitation, control over the Stations' finances, personnel and programming, and Licensee will have full authority and power over all aspects of the Stations' operations. Broker will in no way represent itself or hold itself out as the Stations' owner or licensee during the Term.

9. **Cure of FCC-Related Deficiencies**

It is the intention of the parties that this Agreement comply fully with FCC Rules concerning agreements of this nature. In the event that there is any complaint, inquiry, investigation, or proceeding at the FCC concerning this Agreement and the relationship between the parties, the parties will cooperate fully and will be responsible for their own costs, including legal fees, incurred in responding to such matter, provided, however, that where the complaint, inquiry, investigation or proceeding concerns primarily the acts of only one party, that party will bear the primary responsibility for

responding to such matter. The parties also agree to modify this Agreement in any reasonable way required to maintain compliance with the FCC Rules, preserving to the maximum extent possible the essential business terms and conditions contained herein.

10. **Representations, Warranties and Covenants**

10.1. **Representations Warranties and Covenants of Licensee**

Licensee hereby represents, warrants and covenants that:

10.1.1. **Organization and Standing**

Licensee is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware, and has all necessary power and authority to own, lease, operate and carry on the business of the Stations, as provided under this Agreement.

10.1.2. **Authorization and Binding Obligation**

Licensee has all necessary power and authority to enter into and perform this Agreement and the transactions contemplated hereby, and Licensee's execution, delivery and performance of this Agreement have been duly and validly authorized by all necessary action on its part. This Agreement has been duly executed and delivered by Licensee and constitutes its valid and binding obligation, enforceable in accordance with its terms, except as limited by laws affecting the enforcement of creditors' rights or equitable principles generally.

10.1.3. **Absence of Conflicting Agreements or Required Consents**

The execution, delivery and performance of this Agreement by Licensee: (a) does not require the consent of any third party, except such consents as have already been obtained; (b) will not violate any provisions of Licensee's organizational documents; (c) will not violate any applicable judgment, order, injunction, decree, rule, regulation or ruling of any government authority to which Licensee is a party; and (d) will not, either alone or with the giving of notice or the passage of time or both, conflict with, constitute grounds for termination of, or result in a breach of the terms, conditions or provisions of, or constitute a default under, any agreement, instrument, license or permit to which Licensee is now subject.

10.1.4. **Compliance with Laws**

The Stations are operated in all material respects in compliance with all laws, regulations and governmental orders applicable to the conduct of the business and operations of the Stations.

10.1.5. **Filings**

All reports and applications required to be filed by Licensee with the FCC (including ownership reports and renewal applications) or any other governmental agency, department or body with respect to the Stations, have been, and in the future will be, filed in a timely manner and are and will be true and complete and accurately present the information contained therein. All such reports and documents, to the extent required to be kept in the public inspection files of the Stations, are and will be kept in such files. Upon request by Licensee, Broker will provide, in a timely manner, any such information in its possession which will enable Licensee to prepare, file or maintain the records and reports required by the Commission relating to the broadcast of political announcements.

10.1.6. **Facilities**

The facilities of the Stations, including any additional facilities constructed after the date hereof, will be constructed and maintained at the expense of Licensee, and will comply and be operated, in all material respects, in accordance with the facilities permitted by the FCC authorizations for the Stations, with good engineering standards necessary to deliver a high quality technical signal with facilities at maximum authorized antenna height and power to the area served by the Stations, and in accordance with all applicable laws and regulations (including the requirements of the Act and the rules, regulations, policies and procedures of the FCC promulgated thereunder). During the Term of this Agreement, Licensee will not seek approval from the FCC for modification of the facilities of the Stations in any manner that would diminish the respective current service area of the Stations, or that would reduce the hours of operation of the Stations.

10.1.7. **Payment of Obligations**

Licensee will pay, in a timely fashion, all of its debts, assessments and obligations, including without limitation, tax liabilities and payments attributable to the operations of the Stations, as such come due.

10.1.8. **Insurance**

Licensee will maintain in full force and effect, throughout the Term, insurance with responsible and reputable insurance companies or associations covering the Stations against such risks (including fire and other risks insured against by extended coverage, public liability insurance, insurance for claims against personal injury or death, of property damage and such other insurance as may be required by law) and in such amounts and on such terms as is conventionally carried by broadcasters operating radio stations with facilities comparable to those of the Stations. Any insurance proceeds received by Licensee in connection with business interruption insurance will be provided by Licensee to Broker within five business days after receipt thereof.

10.1.9. **Bankruptcy**

No insolvency proceedings of any character, including, without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting Licensee are pending or threatened, and Licensee has made no assignment for the benefit of creditors or taken any action in contemplation of, or which would constitute the basis for, the institution of such insolvency proceedings.

10.1.10. **Operation of Stations; Format**

Except only as permitted otherwise under this Agreement, Licensee: (i) will operate the Stations and conduct its business only in the ordinary course in accordance with standard broadcast industry practices and the terms of the Stations' licenses and all applicable laws, rules and regulations, including those of the FCC, subject to the provisions of this Agreement; (ii) will not undertake any material expense-cutting measures without the prior written approval of Broker; (iii) will be solely responsible for providing all programming on the Stations, other than commercial and promotional announcements in accordance with Section 3.1, and will be solely responsible for entering into all contracts for such programming; and (iv) will employ all necessary employees, including board operators and a Program Director responsible for procuring all programming for the Stations in accordance with Section 3.1 and this Section 10.1.10, who will report and be accountable solely to Licensee. Licensee and Broker have agreed that the current programming and format of the Stations is conducive to the transactions contemplated pursuant to this Agreement, and that Licensee will

therefore provide a minimum of six months' written notice to Broker prior to making any material change in the programming or format at the Stations.

10.2.           **Representations and Warranties of Broker**

Broker hereby represents and warrants that:

10.2.1.       **Organization and Standing**

Broker is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Wyoming.

10.2.2.       **Authorization and Binding Obligation**

Broker has all necessary power and authority to enter into and perform this Agreement and the transactions contemplated hereby, and Broker's execution, delivery and performance of this Agreement have been duly and validly organized by all necessary action on its part. This Agreement has been duly executed and delivered by Broker and constitutes its valid and binding obligation, enforceable in accordance with its terms, except as limited by laws affecting creditors' rights or equitable principles generally.

10.2.3.       **Absence of Conflicting Agreements or Required Consents**

The execution, delivery and performance of this Agreement by Broker: (a) does not require the consent of any third party, except such consents as have already been obtained; (b) will not violate any provisions of Broker's limited liability company agreement; (c) will not violate any applicable law, judgment, order, injunction, decree, rule, regulation, or ruling of any governmental authority to which Broker is a party; and (d) will not, either alone or with the giving of notice or the passage of time, or both, conflict with, constitute grounds for termination of or result in a breach of the terms, conditions or provisions of, or constitute a default under any agreement, instrument, license or permit to which Broker is now subject.

10.2.4.       **Bankruptcy**

No insolvency proceedings of any character, including, without limitation, bankruptcy, receivership, reorganization, composition or



arrangement with creditors, voluntary or involuntary, affecting Broker, are pending or threatened, and Broker has made no assignment for the benefit of creditors or taken any action in contemplation of or which would constitute the basis for the institution of such insolvency proceedings.

## **11. Term and Termination Rights**

### **11.1. Term**

The term of this Agreement ("Term") will begin on the Commencement Date, as such is defined in Section 1.1, and will continue for a period of five years following the Commencement Date. Broker will have the right to renew this Agreement for two successive renewal periods of five years each. Broker may exercise its right to renew this Agreement by giving notice to Licensee prior to the expiration of the then-current term. In the event of a termination of this Agreement, a party's right to assert claims for damages as a result of the other party's Breach will survive for a period of two years.

### **11.2. Termination in the Event of Non-Payment**

Broker's failure to pay any Payments due to Licensee, as required by Section 2 of this Agreement, by the tenth day after written notice to Broker of such non-payment, will constitute a "Monetary Default" hereunder, and Licensee may, at its option, terminate this Agreement, without penalty.

### **11.3. Termination in the Event of Breach**

Except as otherwise provided for in Section 11.2 hereof with respect to a Monetary Default, in the event of a Breach (as defined in Section 7) in performing their respective material duties, obligations and covenants as set forth in this Agreement, the non-Breaching party may terminate this Agreement without penalty, provided that such Breach will not have been cured by the Breaching party within 30 days after written notice thereof.

### **11.4. Termination In the Event of Judicial Decision or Change in Law**

11.4.1. This Agreement may be terminated by either party in the event this Agreement is declared invalid or illegal in whole or substantial part by an order or decree of an administrative agency or court of competent jurisdiction, and that

such order or decree has become final and is no longer subject to further administrative or judicial review.

11.4.2. This Agreement may be terminated by either party in the event there has been a material change in FCC Rules, policies, or precedent that would cause this Agreement to be in violation thereof, and that such change is in effect and has not been stayed pending an appeal or further administrative review.

#### **11.5 Termination In the Event of Change in Format of the Stations**

In the event that Licensee changes the format or programming of either Station in a material manner from that provided at the Commencement Date or as subsequently accepted by Broker, Broker may terminate this Agreement without further liability or penalty upon 30 days prior written notice to Licensee.

#### **11.6. Existing Advertising Contracts**

Subject to the last sentence of this Section 11.6, in the event of termination or expiration of this Agreement, all agreements or contracts for advertising during Sold Time then in existence for broadcast over the Stations which are not in default and which have been entered into in the ordinary course of business ("Assumed Contracts") will become the property of Licensee, who will (1) have the duty to perform all such Assumed Contracts; and (2) be entitled to collect and receive the money thereafter derived therefrom. Broker will forthwith assign the Assumed Contracts to Licensee, and provide to Licensee copies of all books and records relating to the sale of advertising for broadcast exclusively over the Stations. Licensee indemnifies and holds Broker harmless against any nonperformance of any Assumed Contract with respect to the portion of any such agreement or contract required to be performed after the termination date hereof. All uncollected revenue for advertising already broadcast over the Stations prior to termination or expiration of this Agreement will be the property of and be for the sole benefit of Broker, and Licensee will have the duty to forward any money derived therefrom to Broker within 30 days of receipt thereof.

#### **12. Inspection of Books and Records**

To the extent the FCC or any third party is entitled by law or contract to review any of Broker's books and records relating to the Stations' operations during Sold Time, including financial books and records, Broker will, upon reasonable notice, make such books and records available for such third party's inspection and, to the extent

required or made necessary by law or contractual obligations of Licensee, for inspection by Licensee.

13. **Waiver of Breach**

A waiver by either Broker or Licensee of any Breach under this Agreement will not be deemed to constitute a waiver of any preceding or subsequent Breach of the same provision or any other provision of this Agreement.

14. **Entire Agreement**

This Agreement and the exhibits and schedules hereto embody the entire agreement and understanding of the parties hereto and supersede any and all prior agreements, arrangements and understandings relating to the matters provided for herein. No amendment, waiver of compliance with any provision or condition hereof, or consent pursuant to this Agreement will be effective unless evidenced by an instrument in writing signed by the party against whom enforcement of any waiver, amendment, change, extension or discharge is sought.

15. **Notices**

Any notice, demand or request required or permitted to be given under the provisions of this Agreement will be in writing, addressed as follows, or to such other address as the respective party may request:

To Broker:

Legend Communications of Wyoming, LLC  
5074 Dorsey Hall Drive, Suite 205  
Ellicott City, MD 21042  
Attention: W. Lawrence Patrick  
Telecopy: 410-740-7222

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

Leventhal, Senter & Lerman P.L.L.C.  
2000 K Street, N.W.  
Suite 600  
Washington, DC 20006  
Attention: Brian M. Madden, Esq.  
Telecopy: 202-293-7783

To Licensee:

Riverboat Acquisition LLC  
201 N. Union Street, Suite 230  
Alexandria, VA 22314  
Attention: Larry J. Austin, Esq.

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

Benjamin M. Vandegrift, Esq.  
2367 King Place, N.W.  
Washington, D.C. 20007

and will be deemed to have been duly delivered and received (i) on the date of personal delivery or (ii) on the date of a signed receipt, if sent by an overnight delivery service, but only if sent in the same manner to all persons entitled to receive notice or a copy.

**16. Binding Agreement/Successors and Assigns**

(a) Broker will have the right to assign this Agreement to any financially and legally qualified transferee or assignee, and Broker will be relieved of its obligations hereunder upon consummation of such transfer or assignment. Any transferee or assignee of Broker will have the same rights of assignment as Broker has hereunder.

(b) Licensee will have the right and obligation to assign this Agreement to a transferee, assignee or affiliate of Licensee which acquires either or both of the Stations, and Licensee will be relieved of its obligations hereunder upon consummation of such transfer or assignment, provided that any such transferee or assignee assumes all

of Licensee's obligations hereunder. For purposes of this Agreement, an "affiliate" of Licensee is an entity controlling, controlled by or under at least fifty percent common control with Licensee.

(c) This Agreement will inure to the benefit of, and be binding upon Broker, Licensee, and their respective successors, heirs and permitted assigns and may not be assigned or transferred except in accordance with this **Section 16**.

17. **Governing Law**

The construction and performance of this Agreement will be governed by the laws of the State of Wyoming without regard to its principles of conflicts of law.

18. **Severability**

If any term or provision of this Agreement, or the application thereof to any party or circumstance, will to any extent be held invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to parties or circumstances other than those as to which it is held invalid or unenforceable will not be affected thereby, and each term or provision of this Agreement will be valid and be enforced to the fullest extent permitted by law, provided that such invalid or unenforceable provision will be curtailed, limited or eliminated only to the extent necessary to remove such invalidity or unenforceability with respect to the applicable law as it will then be applied, subject to the final sentence of **Section 9** hereof.

19. **No Partnership or Joint Venture**

This Agreement is not intended to be and will not be construed as a Partnership or Joint Venture Agreement between the parties. Except as otherwise specifically provided in the Agreement, no party to this Agreement will be authorized to act as agent of or otherwise represent any other party to this Agreement.

20. **Confidentiality**

Each party will keep confidential all information obtained by it with respect to the other in connection with this Agreement, as well as the terms and conditions of this Agreement, except to the extent that disclosure is required by law, rule, order or regulation. Upon the termination or expiration of this Agreement, each party will return

to the other, without retaining a copy thereof, any confidential document, correspondence or other information obtained by the other in connection with this Agreement.

21. **Computation of Time**

If after making computations of time provided for in this Agreement, a time for action or notice falls on Saturday, Sunday or a federal holiday, then such time will be extended to the next business day.

22. **Counterparts**

This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first written above.

**RIVERBOAT ACQUISITION LLC**

By: \_\_\_\_\_

*Larry J. Austin*  
Larry J. Austin

Title: Manager

**LEGEND COMMUNICATIONS OF  
WYOMING, LLC**

By: \_\_\_\_\_

W. Lawrence Patrick

Title: Manager

to the other, without retaining a copy thereof, any confidential document, correspondence or other information obtained by the other in connection with this Agreement.

21. **Computation of Time**

If after making computations of time provided for in this Agreement, a time for action or notice falls on Saturday, Sunday or a federal holiday, then such time will be extended to the next business day.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first written above.

**RIVERBOAT ACQUISITION LLC**

By: \_\_\_\_\_  
Larry J. Austin  
Title: Manager

**LEGEND COMMUNICATIONS OF  
WYOMING, LLC**

By: W. Lawrence Patrick  
W. Lawrence Patrick  
Title: Manager

## **SCHEDULE 1**

### **MINIMUM AMOUNT OF SOLD TIME**

15 minutes of advertising time every hour on each Station, to be distributed throughout the hour as reasonably determined by Broker.



## **SCHEDULE 2**

### **MONTHLY PAYMENTS**

In consideration for the Sold Time and other covenants of Licensee provided pursuant to this Agreement, Broker will pay to Licensee a fee of Thirty Thousand Dollars (\$30,000) per month during the Term hereof. In the event that either or both of the Stations fails to operate with substantially its full maximum facilities for any period exceeding 24 consecutive hours, or for more than four hours per day on more than three days in any consecutive 30-day period, Broker shall be entitled to elect either a *pro rata* reduction in the monthly Payment or payment under business interruption insurance (if available) for the hours when either or both of the Station(s) failed to operate with substantially its full maximum facilities.

## JOINT SALES AGREEMENT MODIFICATION

It is agreed that effective January 1, 2002, the Joint Sales Agreement between Riverboat Acquisition LLC and Legend Communications of Wyoming, LLC will change from \$30,000.00 per month to \$25,000.00 per month. All of terms of the original agreement will remain the same.

W. Lawrence Patrick

W. Lawrence Patrick  
Legend Communications of Wyoming, LLC  
Title: Manager

12-27-01

Date

Nicki Williams

Nicki Williams  
Riverboat Acquisition LLC  
Title: Manager

12/28/01

Date