

LOCAL MARKETING AGREEMENT

This LOCAL MARKETING AGREEMENT (the "**Agreement**"), made as of this 9th day of May, 2009, is by and between Fisher Broadcasting-Seattle Radio LLC, a Delaware limited liability company ("**Programmer**"), and South Sound Broadcasting L.L.C., a Washington limited liability company ("**Licensee**").

WITNESSETH:

WHEREAS, Licensee is the owner and licensee of radio station KFMY-FM, Oakville, Washington, which operates on frequency 97.7 (the "**Covered Station**");

WHEREAS, Programmer desires to assist Licensee in providing programming to be transmitted on the Covered Station and to provide certain related support services with respect to the Covered Station;

WHEREAS, Licensee desires to accept Programmer's assistance and transmit programming supplied by Programmer on the Covered Station while maintaining ultimate control over the Covered Station's finances, personnel matters and programming; and

WHEREAS, Licensee has granted to Programmer an option to acquire certain assets owned or held for use by Licensee in connection with the Covered Station (the "**Option**"), pursuant to that certain Option Agreement, by and between Licensee and Programmer, dated as of the date hereof (the "**Option Agreement**").

NOW, THEREFORE, in consideration of these premises and the mutual promises, undertakings, covenants and agreements of the parties contained in this Agreement, the parties hereto do hereby agree as follows:

ARTICLE 1 - COMMENCEMENT AND TERM

Section 1.1 Commencement. The parties shall confer in good faith to establish and agree upon in writing the date on which the delivery and transmission of the LMA Programming (as hereinafter defined) shall commence (such date, the "**Commencement Date**"); *provided that*, in the event the parties shall fail to agree on a Commencement Date, the Commencement Date shall be May 8, 2009.

Section 1.2 Term. Subject to Article 5, the initial term of this Agreement shall commence as of the date hereof and shall expire on the third anniversary of the Commencement Date (the "**Initial Term**"); *provided, however*, that if Programmer shall have timely exercised the Option during the Initial Term and the Option Closing shall have not occurred prior to the expiration of the Initial Term, then the term of this Agreement shall be deemed extended for the period ending on the date of the Option Closing (such Initial Term, together with any extension of such Initial Term pursuant to the foregoing proviso, if applicable, the "**Term**").

ARTICLE 2 - PROGRAMMING

Section 2.1 Programming.

(a) Commencing on the Commencement Date, and thereafter during the Term, Programmer hereby agrees to provide, and Licensee hereby agrees to transmit on the Covered Station, programming and associated advertising, promotional and public service programming and announcement matter sufficient to program a substantial amount of the Covered Station's broadcast day on a daily basis (the "**LMA Programming**"). Programmer shall deliver, at its own cost, the LMA Programming to the Station's transmitting facilities via a mode of transmission (including by way of example and not of limitation, origination at Licensee's studios, satellite facilities, microwave facilities and/or telephone lines) that will ensure that the LMA Programming meets technical and quality standards at least equal to those of the Covered Station's broadcasts prior to the Commencement Date. Programmer shall be solely responsible for all expenses of production, promotions, marketing, sales and programming with respect to the LMA Programming.

(b) **Advertising Sales.** During the Term, Programmer shall have the sole right to (a) sell advertising to be placed in all programming broadcast on the Covered Station from and after the Commencement Date and (b) bill for and collect the payments for all programs and commercials aired on the Covered Station from and after the Commencement Date.

(c) **Obligations Extending Beyond the Term.** Without the prior written consent of Licensee, Programmer shall not enter into any contracts or agreements on behalf of Licensee or the Covered Station that would, by their express terms, require performance by Licensee following the expiration of the Initial Term (a "**Post-Term Agreement**"), unless (i) such Post-Term Agreement would permit Programmer to satisfy any obligations thereunder requiring satisfaction following the expiration of the Initial Term by placing programming or advertising on stations owned or operated by Programmer, other than the Covered Station or (ii) such Post-Term Agreement may be terminated without penalty upon no more than thirty (30) days notice to the other parties thereto. In the event that Programmer enters into a Post-Term Agreement, Programmer shall terminate any such Post-Term Agreement as soon as reasonably practicable following the expiration or termination of this Agreement and shall indemnify Licensee for any and all costs and expenses actually incurred by Licensee arising out of or in connection with such Post-Term Agreement (including any termination thereof) from and after the date of termination or expiration of this Agreement, unless Licensee elects to perform such Post-Term Agreement following such expiration or termination and notifies Programmer in writing of such election prior to any such termination.

Section 2.2 Licensee Control and Programming. Notwithstanding anything to the contrary in this Agreement, Licensee hereby certifies, pursuant to Note 2 of FCC Rule 73.3555, section (j)(3), that Licensee maintains ultimate control over the Covered Station's facilities including, specifically, control over the Covered Station's finances, personnel, and programming. Licensee shall bear the responsibility for the Covered Station's compliance with all applicable provisions of the Communications Act of 1934, as amended (the "**Communications Act**"), and the rules, regulations and policies of the Federal Communications Commission (the "**FCC**") promulgated thereunder (collectively, the "**FCC Rules**"), and all other

federal, state, local or foreign constitution, treaty, law, statute, ordinance, rule, regulation, interpretation, directive, policy, order, writ, decree, injunction, judgment, stay or restraining order, provisions and conditions of permits, licenses, registrations and other operating authorizations, any ruling or decision of, agreement with or by, or any other requirement of, any governmental authority (collectively, "**Applicable Laws**"). Programmer certifies that this Agreement complies with the provisions of FCC Rule 73.3555(a), (c) and (d).

Section 2.3 Deletion and Preemption.

(a) Nothing contained herein shall prevent Licensee from (i) rejecting or refusing any LMA Programming that (1) it believes to be contrary to the public interest, (2) contains content which violates the rights of any third party or (3) does not meet the requirements of the Communications Act or the FCC Rules, or (ii) substituting programs which it believes to be of greater local or national importance or which are designed to address the problems, needs, and interests of the local communities. In all cases of rejection or preemption of LMA Programming by Licensee, except those involving breaking news, Licensee shall make reasonable efforts to provide Programmer with not less than fifteen (15) days notice of Licensee's intention to reject or preempt such LMA Programming.

(b) If Licensee preempts or rejects any LMA Programming in any calendar month during the Term, other than preemptions or rejections (i) as the result of a local, state or national emergency, (ii) as a result of the content thereof being previously determined by the FCC to be in violation of the Communications Act or the FCC Rules, or (iii) based on Licensee's good faith determination that such LMA Programming contains content that violates the Communications Act, the FCC Rules or the rights of any third party, Licensee shall reimburse Programmer an amount equal to the rate charged by Programmer for the advertising time scheduled during the rejected or preempted LMA Programming.

Section 2.4 Access to and Use of Assets and Call Sign.

(a) Licensee hereby grants to Programmer, and Programmer hereby accepts from Licensee, access to and the right to use, at any time and from time to time during the Term, and under the supervision and control of Licensee, antennae, transmitters, equipment, assets, rights under leases and all other property owned or leased by Licensee and used and useful in connection with the operation of the Covered Station (collectively, the "**Licensee Assets**"), pursuant to the terms and subject to the conditions of this Agreement. Licensee shall be responsible for maintaining main studio facilities for the Covered Station pursuant to Section 73.1125 of the FCC Rules and Programmer shall have the right to use and access such main studio facilities for the purpose of performing its obligations hereunder.

(b) Under the FCC Rules, Programmer is the holder of the call sign "KOMO" (the "**Call Sign**"), which such Call Sign is used in connection with Programmer's operation of its broadcast radio station KOMO-FM (the "**Programmer Station**"). In accordance with Section 73.3550 of the FCC Rules, Programmer and Licensee hereby mutually consent and agree to use the Call Sign in connection with the operation of the Covered Station during the Term. Neither Licensee nor Programmer shall use any call sign other than the Call Sign in connection with the

operation of the Covered Station during the Term unless required pursuant to Applicable Law, the Communications Act or the FCC Rules.

(c) Licensee may represent to the FCC in any application or other documentation filed by it that Programmer has consented to the use of the Call Sign in connection with the operation of the Covered Station on the terms set forth herein. Licensee shall be entitled to file a copy of this Agreement with the FCC in connection with any such application or document filed by Licensee in connection with the Call Sign or the Covered Station and, if requested by the FCC or reasonably requested by Licensee, Programmer shall provide to Licensee a separate letter evidencing its consent to the use of the Call Sign in connection with the Covered Station.

Section 2.5 Conditions to Use of Licensee Assets and Call Sign.

(a) Programmer shall use the Licensee Assets only to perform its obligations under this Agreement.

(b) The Licensee Assets shall, to the extent used by Programmer throughout the Term, be used in all material respects in accordance with the Communications Act and all applicable FCC Rules and subject to Licensee's ultimate oversight and control. Except as otherwise provided in this Agreement, Programmer may not, without Licensee's prior written consent, make alterations or modifications to the Licensee Assets.

(c) Programmer shall not use or permit the Licensee Assets to be used in any manner or for any purpose for which the Licensee Assets are not designed or reasonably suitable or otherwise in a manner that is inconsistent with good engineering practices. Programmer shall comply with all Applicable Laws concerning the operation of the Licensee Assets.

(d) Licensee shall retain title to all of the Licensee Assets throughout the Term and, without limiting the terms of the Option Agreement, nothing contained herein shall be deemed to effect any transfer of such title.

(e) The consent of Programmer set forth in Section 2.4(b) is intended to be a consent only to the use of the Call Sign in connection with the operation of the Covered Station and is not intended to be a license of the service mark "KOMO" or of any other service marks or trademarks, whether registered or unregistered under Applicable Law, owned by Programmer or any of its parents, subsidiaries, or affiliates, or to which Programmer or any of its parents, subsidiaries, or affiliates have rights. Licensee will not seek any federal or state patent or trademark registration, or registration as a service mark, of "KOMO" or "KOMO-FM," and Licensee will not object to, seek cancellation of, or institute a concurrent use proceeding in connection with any proceeding Programmer may institute in respect of the registration of the service mark "KOMO" or "KOMO-FM" (either with or without design or logo). Licensee hereby acknowledges that Programmer's rights in and to the Call Sign are, and will remain, superior to those of Licensee and hereby agrees not to take any actions (except actions expressly permitted hereby) that would impair the superior rights of Programmer in and to the Call Sign. Licensee hereby agrees to cooperate in any manner reasonably requested by Programmer in connection with any new proceeding to register the call sign "KOMO" (either with or without

design or logo) as a service mark or trademark of Programmer under Applicable Law, and Licensee will not take any actions that would impair any efforts by Programmer to effect such registration. Licensee shall undertake not to use the Call Sign in any way that denigrates the reputation of the Programmer Station.

(f) Notwithstanding any provision of this Agreement to the contrary, the consent of Programmer to the use of the Call Sign as set forth in Section 2.4(b) (i) may be terminated by Programmer for any reason upon sixty (60) days' prior written notice to Licensee and (ii) shall be automatically terminated upon (1) the transfer of control of, or assignment of the FCC license with respect to, the Programmer Station to any entity that is not an affiliate of Programmer; (2) the transfer of control of Programmer to any entity that is not an affiliate of Programmer; and (3) the termination or expiration of this Agreement. Immediately upon the termination of the consent of Programmer in accordance with the foregoing sentence, Licensee shall cease to use the Call Sign in connection with the Covered Station.

ARTICLE 3 - OPERATIONS

Section 3.1 Compliance With FCC Regulations.

(a) Licensee shall retain ultimate responsibility for and employ or engage such personnel as is necessary to assure compliance with the Communications Act and all FCC Rules, including all FCC Rules relating to (i) technical operations of the Covered Station, (ii) programming content requirements, (iii) the maintenance of a main studio and a meaningful managerial and staff presence at that main studio, (iv) political programming, (v) sponsorship identification (subject to Section 3.1(c)), (vi) lotteries and contests, (vii) the maintenance of the Covered Station's public and political files and (viii) the compilation of appropriate quarterly programs/issues lists and employment records.

(b) Licensee expressly acknowledges that its duty to maintain the Covered Station's public inspection files is non-delegable and it retains sole responsibility for maintenance of the files. Programmer shall provide to Licensee monthly documentation of the LMA Programming that it believes addresses issues of concern to the Covered Station's community of license on a timely basis. Programmer also shall forward to Licensee, within twenty-four (24) hours of receipt by Programmer, any letter from a listener of the Covered Station addressing the Covered Station's programming and any documentation that comes into Programmer's custody that Programmer believes is required to be included in the Covered Station's public inspection file.

(c) Subject to Section 2.4(b), Licensee shall be responsible for ensuring proper broadcast of the Covered Station's identification announcements; *provided, however*, that Programmer shall include in the LMA Programming appropriate identification announcements for the Covered Station that comply with FCC Rules in an aural form reasonably acceptable to Licensee and any Emergency Alert System tests that the Covered Station may be required to transmit.

(d) Programmer agrees that neither it nor its agents, employees, consultants or personnel shall accept any consideration, compensation, gift or gratuity of any kind whatsoever,

regardless of its value or form, including, without limitation, a commission, discount, bonus, materials, supplies or other merchandise, services or labor (collectively, “*Consideration*”), from any merchant, advertiser or other third party providing content to Programmer or the Covered Station, whether or not pursuant to written contracts or agreements between Programmer and such merchants, advertisers, or other person or entity, unless the person or entity paying such Consideration is identified in the program for which the Consideration was provided as having paid or furnished such Consideration in accordance with the Communications Act and applicable FCC Rules.

(e) Licensee shall retain full responsibility for overseeing compliance with the FCC Rules relating to political programming with respect to the Covered Station. At least ninety (90) days prior to the beginning of any primary or general election period, subject to Licensee’s approval, Programmer shall propose reasonable rates to be charged to legally qualified political candidates, which such rates shall conform with applicable election law and FCC Rules. Programmer agrees to provide Licensee with access to its documentation concerning the pricing of advertising sold on the Covered Station as is necessary to permit Licensee to ascertain that the political rate is appropriate. Within twenty-four (24) hours of any request to purchase time on the Covered Station on behalf of a legally qualified candidate, Programmer shall report the request and their disposition to Licensee. Licensee shall be responsible for placing appropriate records in the Covered Station’s political files. In the event that a candidate for public office demands to purchase air time directly from Licensee rather than Programmer, Licensee may sell such time and, after consulting with Programmer, may preempt LMA Programming as necessary to broadcast directly-sold political programming; *provided, however*, that all revenue or payments arising from such political programming shall be due and payable or otherwise remitted to Programmer.

Section 3.2 Maintenance.

(a) Programmer shall use its commercially reasonable efforts to assist Licensee, at all times under the supervision and ultimate control of Licensee, in the operation of the Covered Station.

(b) Licensee shall engage a chief engineer who will be responsible for maintaining the Covered Station’s transmission facilities. Licensee shall engage a chief operator, as defined by the FCC Rules (and who may also hold the position of chief engineer), who will be responsible for ensuring compliance by the Covered Station with the technical operating and reporting requirements established by the FCC. Programmer shall not take any action, or fail to take any action which it is obligated to take under this Agreement which would cause the Covered Station not to be in compliance with Applicable Laws or the FCC Rules, and Programmer shall provide reasonable assistance to Licensee to ensure that the Covered Station complies with Applicable Laws and the FCC Rules.

(c) During the Term, Licensee shall make available to Programmer at least ninety percent (90%) of the Covered Station’s effective radiated power (as of the Commencement Date) for the entire time that the Covered Station is broadcasting over the air, except for downtime required for occasional maintenance and other interruptions contemplated by Section 3.2(d) and events described in Section 9.1 hereof. To the extent applicable, Licensee

shall provide Programmer with at least forty eight (48) hours advance written notice of any routine or non-emergency maintenance work affecting the operation of the Covered Station at full power and shall, to the extent possible, schedule such maintenance work to be performed between the hours of 1:00 a.m. and 6:00 a.m., local time.

(d) If the Covered Station suffers any loss or damage of any nature to its transmission or studio facilities which results in the interruption of service or the inability of the Covered Station to operate with its maximum facilities (as of the Commencement Date), Licensee shall immediately notify Programmer of such loss or damage and Programmer shall (i) undertake such repairs as are reasonably necessary to restore full-time operation of the Covered Station as expeditiously as reasonably possible, at its sole cost and expense, or (ii) request that Licensee undertake such repairs, in which case the actual out-of-pocket costs and expenses incurred by Licensee shall be considered Operating Expenses (as defined below) and, accordingly, shall be reimbursed by Programmer in accordance with *Schedule 4.2*, unless the applicable loss or damage was as a result of Licensee's or its employees' or agents' gross negligence or willful misconduct.

Section 3.3 Additional Affirmative Covenants.

(a) Licensee covenants and agrees that it will fully comply with all Applicable Laws (including, without limitation, the Communications Act and all FCC Rules) and pertinent provisions of all contracts, permits and other agreements to which it is a party or is otherwise bound related to the Covered Station or this Agreement.

(b) (i) Programmer covenants and agrees that it will fully comply with all Applicable Laws (including the Communications Act and all FCC Rules) in the provision of the LMA Programming and other services to Licensee pursuant to this Agreement and otherwise in connection with the performance of its obligations hereunder.

(ii) In performing its obligations hereunder, Programmer shall use its commercially reasonable efforts to perform or discharge on behalf of Licensee the obligations and liabilities under all contracts in effect as of the Commencement Date related to the operation of the Covered Station to which Licensee is a party or by which Licensee is bound in accordance with the provisions hereof ("***Existing Contracts***"). In connection with the foregoing, Licensee shall use all commercially reasonable efforts to provide Programmer the benefits of any such Existing Contract; *provided*, that the parties acknowledge and agree that there may not be any such Existing Contracts where performance by Programmer will be needed.

(iii) Except as the parties may otherwise agree, Programmer shall not designate or engage any agent or otherwise subcontract with any third party to perform its duties or obligations under this Agreement or delegate the performance of such duties or obligations to any third party, including, without limitation, its duties and obligations hereunder with respect to LMA Programming and the advertising sold in connection therewith, *provided* that Programmer may so designate, engage or delegate to an affiliate of Programmer and shall provide Licensee written notice thereof.

(iv) During the Term and only for so long as necessary for the LMA Programming to be broadcast on the Covered Station, Licensee shall obtain and maintain in full force and effect in its own name "per program" music licenses as are currently operative with respect to the Covered Station and as required by music licensing agencies and Programmer shall abide by the terms of such licenses. Programmer, upon request of Licensee, promptly shall provide Licensee with all information that is reasonably necessary for Licensee to complete required reports to the music licensors, insofar as those reports relate to LMA Programming and revenues therefrom. Programmer shall also maintain in effect contracts with music licensing agencies, and ultimately shall be responsible to pay all music license fees attributable to the LMA Programming or billed to it by music licensing agencies with respect to the LMA Programming. Programmer shall be responsible for any and all fees charged by ASCAP, BMI, SESAC or similar performing rights societies on LMA Programming, whether such fees are assessed against Programmer based on the LMA Programming or against Licensee based on the ownership of the Covered Station.

(v) Licensee shall not change or alter the format of the Covered Station at any time during the Term without the prior written consent of Programmer, which such consent may be granted or withheld in Programmer's sole discretion.

(c) Licensee covenants and agrees that it will conduct and complete the capital improvements described on *Schedule 3.3(c)* (the "**Capital Improvements**"), at its sole cost and expense. Licensee shall conduct the Capital Improvements in a good and workmanlike manner consistent with good engineering practices.

ARTICLE 4 - FEES AND OTHER CONSIDERATION

Section 4.1 LMA Fee.

(a) From and after the Commencement Date, in consideration of the rights granted to Programmer under this Agreement, Programmer shall pay to Licensee a monthly fee as set forth on *Schedule 4.1* attached hereto (the "**LMA Fee**").

(b) The LMA Fee shall be due and payable in advance by Programmer each calendar month following the Commencement Date until the expiration or termination of this Agreement, and shall be due and payable on or before the first (1st) business day of each such calendar month, *provided, however*, that the first LMA Fee shall be due and payable on July 1, 2009. Programmer shall not be in breach of this agreement if any LMA Fee due and owing hereunder is paid by the tenth (10th) day of the applicable calendar month, *provided*, that if such LMA Fee is not paid prior to such tenth (10th) day it shall bear interest at a rate of 8 percent (8%) per annum from the first (1st) business day of such calendar month.

(c) The LMA Fee shall be prorated with respect to any partial month in which it is due.

Section 4.2 Operating Expenses and Reimbursement.

(a) Commencing on the date of this Agreement and during the Term, Licensee shall be responsible for the operating expenses of the Covered Station (subject to Section 3.2(d));

provided that Programmer shall reimburse Licensee for the costs and expenses described on *Schedule 4.2* hereto (the “**Operating Expenses**”) pursuant to the terms and subject to the conditions set forth herein. No later than the last business day of each calendar month during the Term, Licensee shall deliver to Programmer an invoice for Operating Expenses incurred during such calendar month, which such invoice shall include a itemization of the items included and their respective expenses and shall be accompanied by reasonable supporting documentation (each an, “**Operating Expenses Invoice**”).

(b) No later than the last business day of each calendar month during the Term, Licensee shall provide Programmer with an accounting (a, “**Revenue Statement**”), for such month, of (i) any revenues earned by Licensee with respect to lease payments (the “**Lease Payments**”) made to Licensee by third parties under leases relating to the use or occupancy of the broadcast tower owned by Licensee and located on South Mountain (the “**South Mountain Tower**”) (including, without limitation, payments received from Bustos Media of Seattle, LLC in respect of its obligation to reimburse Licensee for its pro rata share of maintenance, repair and similar costs under the sublease agreement by and between Licensee and Bustos Media of Seattle, LLC), and (ii) any access fees (or portions thereof) paid to or retained by Licensee with respect to leases relating to the use or occupancy of the South Mountain Tower (the “**Access Fees**”). One hundred percent (100%) of the amounts shown on a Revenue Statement as Lease Payments *plus* fifty percent (50%) of the amounts show on a Revenue Statement as Access Fees shall hereinafter be referred to as the “**Monthly Revenues**”.

(c) Subject to Section 4.2(d), no later than fifteen (15) days following Programmer’s receipt of the Operating Expenses Invoice and the Revenue Statement for a calendar month during the Term, Programmer shall pay to Licensee an aggregate amount equal to the Operating Expenses for the applicable month *less* the Monthly Revenues for such month; *provided* that in the event that the Operating Expenses for a particular calendar month are less than the Monthly Revenues for such month, the excess Monthly Revenues not offset by the Operating Expenses shall carry over to the next calendar month and shall be offset against the Operating Expenses for such succeeding month in accordance with this Section 4.2(c). Any Monthly Revenues that would be carried over to the calendar month immediately following termination or expiration of this Agreement by operation of the foregoing proviso shall be retained by Licensee and credited against any amounts due and owing to Licensee by Programmer under the Option Agreement (whether such amounts are owed as the Break-Up Fee or the Purchase Price, as such terms are defined therein).

(d) In the event that Programmer disputes an invoice or items or expenses included therein, Programmer shall pay the undisputed amounts, if any, pursuant to Section 4.2(c) and Programmer and Licensee shall cooperate in good faith to resolve such dispute as expeditiously as practicable.

Section 4.3 Retained Revenue. Programmer shall retain all revenues resulting from the LMA Programming and from the sale of advertising and other time broadcast on the Covered Station during the Term.

Section 4.4 Pre-Commencement Date Accounts Receivable. Programmer acknowledges and agrees that the accounts receivable of Licensee relating to the Covered Station

for material broadcast prior to the Commencement Date are and shall remain the sole property of Licensee. Any amounts received by Programmer that belong to Licensee pursuant to the foregoing sentence shall be promptly remitted to Licensee.

ARTICLE 5 - TERMINATION AND ASSIGNMENT

Section 5.1 Termination.

(a) In addition to all other rights of termination specified in this Section 5.1, either party shall be entitled to terminate this Agreement by delivering written notice (a "**Termination Notice**") to the other party if:

(i) the other party commits a material breach of any of the provisions of this Agreement (other than a breach of a payment obligation) and, in the case of a material breach capable of remedy, fails to remedy the breach within thirty (30) days of receipt of the Termination Notice describing such breach and requiring it to be remedied;

(ii) that other party fails to make any payments due and owing under this Agreement on the date any such payment is due and such failure is not remedied within ten (10) days of receipt of a Termination Notice describing such breach and requiring it to be remedied; or

(iii) the other party (i) files in a petition in bankruptcy or insolvency or for reorganization or for an arrangement or for the appointment of a receiver or trustee of such party or of its assets; (ii) proposes a written agreement of composition or extension of any significant portion of its debts; (iii) is served with an involuntary petition against it, filed in any insolvency proceeding, and such petition is not dismissed within sixty (60) days after the filing thereof; (iv) consents to the appointment or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of such party or for any substantial part of its property or makes any assignment for the benefit of creditors; (v) admits in writing its inability to pay its debts generally as they become due; or (vi) has any material judgment, writ, warrant of attachment or execution or similar process issued or levied against it or a substantial portion of its property.

(iv) A Termination Notice shall become effective thirty (30) days following the expiration of the cure periods set forth in Sections 5.1(a)(i) and 5.1(a)(ii), in the case of termination pursuant to either such section, or thirty (30) days after delivery, in the case of a termination pursuant to Section 5.1(a)(iii). For the avoidance of doubt, the party receiving a Termination Notice shall not have the right to cure such party's breach or failure giving rise to such Termination Notice beyond the cure periods set forth in Sections 5.1(a)(i) and 5.1(a)(ii), as applicable, or beyond the date of delivery of the Termination Notice in the event of a termination pursuant to Section 5.1(a)(iii).

(b) Subject to Section 5.3, this Agreement may be terminated at any time during the Term by Programmer upon sixty (60) days' prior written notice to Licensee.

(c) This Agreement shall terminate automatically, and without the requirement of any further action, immediately following the Option Closing (as such term is defined in the Option Agreement).

(d) This Agreement may be terminated pursuant to the terms and subject to the conditions of Section 5.2.

(e) The termination or expiration of this Agreement shall be without prejudice to any rights or obligations of the parties that may have accrued prior to such termination.

Section 5.2 Renegotiation Upon FCC Action.

(a) Should a change in FCC Rules make it necessary to obtain FCC consent for the implementation, continuation or further effectuation of any element of this Agreement, the parties hereto shall use their best efforts diligently to prepare, file and prosecute before the FCC all petitions, waivers, construction applications, amendments, rulemaking comments and other related documents necessary to secure or retain FCC approval of all aspects of this Agreement. Licensee and Programmer shall each bear their own costs of participating in the preparation of such documents and prosecution of such actions. Notwithstanding anything in this Agreement to the contrary, it is understood that no such filing shall be made with the FCC with respect to this Agreement unless each party hereto has had an opportunity to review such filing and to provide comments thereon. Each party shall use its commercially reasonable efforts to incorporate the comments (whether in whole or in part) of the other party to any such filing to be made with the FCC.

(b) If the FCC determines that this Agreement is inconsistent with Licensee's license obligations or is otherwise contrary to FCC Rules or the Communications Act, or if regulatory or legislative action subsequent to the date of this Agreement alters the permissibility of this Agreement under the FCC Rules or the Communications Act (an "***FCC Permissibility Determination***"), the parties shall renegotiate this Agreement in good faith and recast this Agreement in terms that are likely to cure the defects perceived by the FCC while maintaining the benefit of the bargain to the parties hereunder and to return a balance of benefits to both parties comparable to the balance of benefits provided by the Agreement in its current terms. If, after such good faith negotiations, either party determines that recasting this Agreement to cure the defects on which the FCC Permissibility Determination was based is impossible or reasonably impracticable, either party shall have the right to terminate this Agreement without further liability upon written notice to the other party; *provided* that upon such notice of termination the Agreement shall continue in effect, if permissible under FCC Rules, for the shorter of (i) a period of sixty (60) days from the date of such termination notice or (ii) the period ending upon the expiration of the Term. Upon such termination of this Agreement, Licensee shall reasonably cooperate with Programmer to the extent permitted in order to enable Programmer to fulfill advertising or other programming contracts then outstanding, and Programmer shall reasonably cooperate with Licensee in order to effectuate a reasonable transition period from the LMA Programming to other programming on the Covered Station.

ARTICLE 6 - REPRESENTATIONS AND WARRANTIES

Section 6.1 Licensee's Representations and Warranties. Licensee represents and warrants to Programmer as follows:

(a) Licensee is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Washington and has the full power and authority to own its property, licenses and permits, and to carry out all of the transactions contemplated by this Agreement.

(b) Licensee has complied with and is in compliance in all material respects with all Applicable Laws governing the business, ownership and operations of the Covered Station. Except as otherwise disclosed herein, no consent, approval or authorization or filing by Licensee with any governmental authorities (other than the FCC) is required in connection with the transactions contemplated herein. The performance of this Agreement will not result in any violation of or be in conflict with Licensee's organizational documents or any Applicable Laws.

(c) All requisite internal corporate authorizations necessary for the execution, delivery, performance and satisfaction of this Agreement by Licensee have been duly adopted and are in full force and effect.

(d) Licensee is the holder of all licenses and authorizations necessary to operate the Covered Station under and in compliance with the Communications Act and the FCC Rules (the "*Licenses*") and each such License is held by Licensee in good standing. An accurate and complete list of all such Licenses is set forth on *Schedule 6.1* attached hereto. As of the Commencement Date, all such Licenses for the Covered Station shall be in full force and effect and unimpaired by any acts or omissions of Licensee, its employees or agents and there shall be no complaint, condition, event, defect or occurrence existing or threatened against the Licenses, Licensee or the Covered Station that would materially affect the operations of the Covered Station or the Licenses.

Section 6.2 Programmer's Representations and Warranties. Programmer represents and warrants to Licensee as follows:

(a) Programmer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware and qualified to do business in the State of Washington and has the full power and authority to own its property, licenses and permits, and to carry out all of the transactions contemplated by this Agreement.

(b) Programmer has complied with and is now complying with all Applicable Laws governing its business and operations that are material in any way to this Agreement. Except as otherwise disclosed herein, no consent, approval or authorization or filing by Programmer with any governmental authorities (other than the FCC) is required in connection with the transactions contemplated herein. The performance of this Agreement will not result in any violation of or be in conflict with Programmer's organizational documents or any Applicable Laws.

(c) All requisite internal corporate authorizations necessary for the execution, delivery, performance and satisfaction of this Agreement by Programmer have been duly adopted and complied with.

Section 6.3 Survival of Representations and Warranties. All representations and warranties in this Agreement shall survive for a period of one (1) year after the date of the expiration or termination of this Agreement.

ARTICLE 7 - INDEMNIFICATION

Section 7.1 Indemnification by Programmer. Programmer shall indemnify, defend and hold harmless Licensee, its affiliates and all officers, managers, employees, members and agents of Licensee and its affiliates (each individually, a “**Licensee Indemnatee**”) from and against any and all claims, demands, costs, damages, losses, liabilities, joint and several, expenses of any nature (including, without limitation, reasonable attorneys’, accountants’ and experts’ fees and disbursements), judgments, fines, settlements and other amounts (collectively, “**Damages**”) arising from any and all claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative (collectively, “**Claims**”), in which a Licensee Indemnatee may be involved, as a party or otherwise, arising out of: (a) the acts or omissions of Programmer, or Programmer’s employees, agents or contractors, under or in connection with this Agreement or with respect to the Covered Station which such acts or omissions involve or result in: (i) libel and slander; (ii) infringement of trade marks, service marks, trade names, copyrights or other proprietary rights; (iii) violations of Applicable Laws (including the Communications Act or the FCC Rules); or (iv) invasion of rights of privacy; (b) any content of the LMA Programming, (c) any music license fees for which Programmer is responsible pursuant to Section 3.3(b)(iv), or (d) any breach by Programmer of its obligations under this Agreement.

Section 7.2 Indemnification by Licensee. Licensee shall indemnify, defend and hold harmless Programmer, its affiliates, and all officers, directors, managers, employees, stockholders, partners, members and agents of Programmer and its affiliates (each individually, a “**Programmer Indemnatee**”), from and against any and all Damages arising from any and all Claims in which a Programmer Indemnatee may be involved, as a party or otherwise, arising out of: (a) the acts or omissions of Licensee, or Licensee’s employees, agents or contractors, under or in connection with this Agreement or with respect to the Covered Station which acts or omissions involve or result in: (i) libel and slander; (ii) infringement of trade marks, service marks, trade names, copyrights or other proprietary rights; (iii) violations of Applicable Laws (including the Communications Act or the FCC Rules); or (iv) invasion of rights of privacy; (b) any content of any programming provided by Licensee or its affiliates, or (c) any breach by Licensee of its obligations under this Agreement.

Section 7.3 Insurance. Programmer shall maintain broadcasters’ liability insurance policies covering libel, slander, invasion of privacy and the like, general liability, blanket crime, property damage, business interruption, automobile liability, and workers’ compensation insurance in forms and amounts customary in the radio broadcast industry (to the extent commercially reasonable, for example, Programmer shall not be required to obtain insurance specifically with respect to property it does not own), and Licensee shall maintain the existing insurance policies on the Covered Station or other policies providing substantially similar

coverages, and each of the parties hereto will name the other as an additional insured under such policies to the extent that their respective interests may appear and will provide for notice to the other party prior to cancellation thereof. Upon request, each party shall provide the other party with certificates evidencing such insurance, and shall further provide certificates evidencing renewal thereof prior to the expiration of such policies.

ARTICLE 8 - MISCELLANEOUS

Section 8.1 Force Majeure. Notwithstanding anything contained in this Agreement to the contrary, no party shall be liable to another party for failure to perform any obligation under this Agreement if prevented from doing so by reason of fires, acts of terrorism, strikes, labor unrest, embargoes, civil commotion, rationing or other orders or requirements, acts of civil or military authorities, acts of God or other contingencies, including equipment failures, beyond the reasonable control of the parties, and all requirements as to notice and other performance required hereunder within a specified period shall be automatically extended to accommodate the period of pendency of such contingency which shall interfere with such performance.

Section 8.2 Confidentiality; Announcements.

(a) Each party shall hold in strict confidence all documents and information concerning the other and its business and properties and, if this Agreement is terminated, such confidences shall be maintained, and all documents and information (in written form) shall immediately thereafter be returned to the party originally furnishing such documents and information.

(b) Notwithstanding anything contained herein to the contrary, no party shall be prohibited from (i) making any disclosures to any governmental authority that it is required by Applicable Laws, including, without limitation, the filing of this Agreement with the FCC and placing a copy of this Agreement in the public inspection files of the Covered Station or any station licensed to Programmer or an affiliate of Programmer, (ii) disclosing this Agreement or its terms to its attorneys, accountants, agents or advisors, (iii) providing a copy of this Agreement with, or disclosing the terms of this Agreement to, any institutional lender to such party or (iv) disclosing to its investors and broker/dealers such terms of this transaction as are customarily disclosed to them in connection with similar transactions.

(c) Neither party shall make or issue or cause to be made or issued, any announcement (written or oral) concerning this Agreement or the transactions contemplated hereby for dissemination to the general public without the prior consent of the other party. This provision shall not apply, however, to any announcement or written statement required to be made by Applicable Law or the regulations of any governmental authority or any stock exchange, except that the party required to make such announcement shall provide a draft copy thereof to the other party hereto, and consult with such other party concerning the timing and content of such announcement, before such announcement is made, to the extent permitted by Applicable Law.

Section 8.3 Trademarks. Licensee hereby grants Programmer an unlimited, royalty-free license to use, in connection with providing programming on the Covered Station, any and

all trademarks, service marks, patents, trade names, jingles, slogans, logotypes and other intangible rights owned and used or held for use by Licensee in conjunction with the call-sign or channel number of the Covered Station. Licensee agrees to execute such additional documentation as may be necessary or desirable to effectuate the license granted under this Section 8.3.

Section 8.4 Notices. All notices, demands and requests required or permitted to be given under the provisions of this Agreement shall be (i) in writing, (ii) sent by facsimile, delivered by personal delivery or sent by a nationally recognized commercial delivery service or certified mail, return receipt requested, (iii) deemed to have been given on the date sent by facsimile if sent on a day that is a business day in the state in which the addressee resides, or the next succeeding business day, with confirmation of successful transmission, the date of personal delivery or the date set forth in the records of the delivery service or on the return receipt and (iv) addressed as follows:

(a) If to Licensee:

South Sound Broadcasting L.L.C.
Attention: Gregory J. Smith
PO Box 53248
Bellevue, WA. 98015-3248
Telephone: 206-790-5405

with a copy (which shall not constitute notice) to

William L. Neal
Stafford Frey Cooper Professional Corporation
601 Union Street, Suite 3100
Seattle, WA 98101
Telephone: 206-667-8211
Facsimile: 206-624-6885

(b) If to Programmer:

Fisher Communications, Inc.
100 Fourth Ave. No.
Suite 510
Seattle, WA 98109
Attention: Christopher J. Bellavia
Vice President, Senior Attorney and Corporate Secretary
Telephone: 206-404-4884
Facsimile: 206-404-4885

with a copy (which shall not constitute notice) to

Covington & Burling LLP
1201 Pennsylvania Ave., NW
Washington, DC 20004-2401
Attention: Eric D. Greenberg, Esq.
Telephone: 202-662-5193
Facsimile: 202-778-5193

or to any other or additional persons and addresses as the parties may from time to time designate in a writing delivered in accordance with this Section 8.4.

Section 8.5 Severability. Except as otherwise provided in Section 5.3, if any covenant or provision hereof is determined to be void or unenforceable in whole or in part, it shall not be deemed to affect or impair the validity of any other covenant or provision, each of which is hereby declared to be separate and distinct. If any provision of this Agreement is so broad as to be unenforceable, such provision shall be interpreted to be only so broad as is enforceable. If any provision of this Agreement is declared invalid or unenforceable for any reason other than overbreadth, the offending provision shall be modified so as to maintain the essential benefits of the bargain among the parties hereto to the maximum extent possible, consistent with law and public policy.

Section 8.6 Payment of Expenses. Except as otherwise provided herein, Licensee and Programmer shall pay their own expenses incident to the preparation and performance of this Agreement, including all fees and expenses of their respective counsel.

Section 8.7 Relationship and Dealings with Third Parties. Each of the parties hereto is an independent contractor, and no party is, nor shall be considered to be, the agent of another party for any purpose whatsoever. No party has any authorization to enter into any contracts nor assume any obligations for another party nor make any warranties or representations on behalf of another party, other than as expressly authorized herein. Nothing in this Agreement shall be construed as establishing an agency, partnership, fiduciary relationship or joint venture relationship between the parties hereto. No party is nor shall hold itself out to be vested with any power or right to bind contractually or act on behalf of another party as another party's

contracting broker, agent or otherwise for committing, selling, conveying or transferring any of another party's assets or property, contracting for or in the name of another party or making any representations contractually binding another party.

Section 8.8 Assignment. No party hereto may assign this Agreement without the prior written consent of the other parties, *provided* that Programmer may assign this Agreement to any of its affiliates, provided that such assignment shall not relieve Programmer of its obligations hereunder. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors, and permitted assigns.

Section 8.9 Further Assurances. Subject to the terms and conditions of this Agreement, from time to time each party hereto shall use commercially reasonable efforts to take, or cause to be taken, all such actions and to do or cause to be done, all things necessary, proper or advisable under the FCC Rules or other Applicable Laws to consummate and make effective the transactions contemplated by this Agreement, including executing and delivering such documents as the other party may reasonably request in connection with the performance of this Agreement and the consummation of the other transactions contemplated hereby.

Section 8.10 Governing Law. This Agreement and the rights and obligations of the parties hereunder shall be governed by, and construed and enforced in accordance with, the laws of the State of Washington without regard to its conflict of law rules, subject to the applicable provisions of the Communications Act and FCC Rules.

Section 8.11 Waiver of Compliance; Consents. Except as otherwise provided in this Agreement, any failure of any of the parties to comply with any obligation, representation, warranty, covenant, agreement or condition herein may be waived by the party entitled to the benefits thereof only by a written instrument signed by the party granting such waiver, but such waiver shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. Whenever this Agreement requires or permits consent by or on behalf of any party hereto, such consent shall be given in writing in a manner consistent with the requirements for a waiver of compliance as set forth in this Section 9.11.

Section 8.12 Matters Relating to Interpretation and Organization. A reference in the singular shall be deemed to include the plural and the plural shall be deemed to include the singular. A reference to one gender shall include any other gender. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." All references to "party" and "parties" shall be deemed references to parties to this Agreement unless the context shall otherwise require. The parties agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in the construction or interpretation of this Agreement. Except as specifically otherwise provided in this Agreement, a reference to a Section, the Schedules or any Exhibit is a reference to a Section of this Agreement or the Schedules or Exhibits hereto, and the terms "hereof," "herein," and other like terms refer to this Agreement as a whole, including the schedules and exhibits to this Agreement. The terms "or" is used in its inclusive sense ("and/or"). All references to "Dollars" and "\$" refer to the currency of the United States. The division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

Section 8.13 Amendments. This Agreement may not be amended, modified, altered or supplemented other than by means of a written instrument duly executed and delivered by the parties hereto in accordance with the terms of this Agreement.

Section 8.14 Counterparts. This Agreement (and each amendment, modification and waiver in respect of it) may be executed in any number of counterparts, and each such counterpart shall be deemed to be an original instrument, but all such counterparts together shall constitute but one instrument. Delivery of an executed counterpart of a signature page of this Agreement (and each amendment, modification and waiver in respect of it) by facsimile or other electronic transmission shall be effective as delivery of a manually executed original counterpart of each such instrument.

Section 8.15 Entire Agreement. This Agreement, together with the schedules and exhibits expressly contemplated hereby and attached hereto and the other agreements, certificates and documents delivered in connection herewith or otherwise in connection with the transactions contemplated hereby and thereby, including the Option Agreement, contains the entire agreement between the parties hereto with respect to the transactions contemplated by this Agreement and supersedes all prior agreements or understandings, whether written or oral, between the parties with respect to the subject matter hereof.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, this Agreement has been executed by the duly authorized representatives of Programmer and Licensee as of the date first written above.

SOUTH SOUND BROADCASTING L.L.C.

By: _____

Name: Gregory J. Smith
Title: MANAGER

**FISHER BROADCASTING-SEATTLE RADIO
LLC**

By: _____

Name: _____
Title: _____

[Signature Page To Local Marketing Agreement]

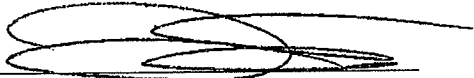
IN WITNESS WHEREOF, this Agreement has been executed by the duly authorized representatives of Programmer and Licensee as of the date first written above.

SOUTH SOUND BROADCASTING L.L.C.

**FISHER BROADCASTING-SEATTLE RADIO
LLC**

By: _____

Name:
Title:

By: 

Name: Joseph L. Lovejoy
Title: Senior Vice President & CFO