

Description of the Transaction

Background. On February 28, 2006, Citadel Broadcasting Company filed an application on FCC Form 314 seeking the Commission's consent for the assignment of the licenses associated with 11 radio stations in 7 markets from Citadel Broadcasting Company ("*Citadel*") to The Last Bastion Station Trust, LLC (the "*Trustee*"), as trustee under the Citadel Divestiture Trust (FCC File No. BALH-20060228ALE-ALO) (the "*Citadel Divestiture Trust Application*"). The purpose of the divestiture trust is to reduce the number of radio stations attributable to Citadel under the FCC's local radio ownership rule in seven markets, due to the transfer of control of Citadel pursuant to the Merger Agreement discussed below. Under the Trust Agreement, the Trustee is directed to sell the stations assigned to the trust to third parties and pending such sales to operate the stations as independent voices and competitors in their respective markets.

Purpose of this Application. The purpose of this application is to substitute one Citadel station in the Little Rock, AR market for another Citadel station previously designated for the trust. The stations previously designated for the trust in the Little Rock market were KARN-FM, Sheridan, AR, KPZK-FM, Cabot, AR, and KVLO(FM), Humnoke, AR. Citadel seeks FCC consent to assign KOKY(FM), Sherwood, AR to the Trustee instead of KARN-FM, Sheridan, AR. In order to avoid delay in consummation of the merger, to the extent that the merger is consummated prior to the grant of this application, Citadel will assign KARN-FM to the trust and will file an application seeking FCC authority to assign KARN-FM back to Citadel when KOKY(FM) is assigned to the Trustee.

Description of Merger Applications. On February 6, 2006, The Walt Disney Company ("*TWDC*"), ABC Chicago FM Radio, Inc. ("*ABC Radio*"), Citadel Broadcasting Corporation ("*Citadel Corp.*") and Alphabet Acquisition Corp (which is a subsidiary of Citadel Corp.) entered into an Agreement and Plan of Merger (the "*Merger Agreement*"). The consummation of the transactions contemplated in the Merger Agreement will result in the transfer of control of 24 radio stations licensed to direct or indirect subsidiaries of ABC Radio and 223 radio stations licensed to Citadel (together, "*ParentCo*"). On February 28, 2006, TWDC and Citadel Corp. filed twelve separate FCC Form 315 applications seeking FCC consent to the transfer of control of 24 the radio stations controlled by ABC Radio and a single FCC Form 315 application seeking FCC consent to the transfer of control of the licenses currently held by Citadel (the "*Citadel Application*"). All of the foregoing applications were granted by the Commission on March 22, 2007 and the related Memorandum Opinion and Order was released on April 4, 2007.

Structure of the Trust. Attached hereto are (i) the Engagement and Assignment Agreement between Citadel and the Trustee dated February 28, 2006; (ii) the First Amendment to Engagement and Assignment Agreement dated May 4, 2007; and (iii) the revised Trust Agreement, reflecting the substitution of Station KOKY(FM) for Station KARN-FM in the Little Rock market. The Trust Agreement complies with the requirements established by Commission precedent to qualify as a properly insulated trust designed to avoid attribution under the local radio ownership rule.

Neither the Trustee, nor Elliot B. Evers, its sole member, is a 1% or greater shareholder, director, officer or employee of Citadel or any of its affiliates, and neither the Trustee nor Mr. Evers has any business, personal or extra-trust relationship with Citadel or any of its affiliates or with any 1% or greater shareholder, director, officer or employee of Citadel or their affiliates. At all times, the Trustee will have the sole and exclusive power and authority to operate the Stations. Neither Citadel nor any of its officers, directors, employees, shareholders or affiliates may communicate with the Trustee regarding the management of the Stations.