

THIS TIME BROKERAGE AND PROGRAM SERVICES AGREEMENT (this "**Agreement**") is made and entered into as of this [1st] day of February, 2007, by and between Columbia Gorge Broadcasters, Inc., a corporation organized and subsisting under the laws of the State of Oregon ("CGB"), M.S.W. Communications, L.L.C., a limited liability company organized and subsisting under the laws of the State of Oregon ("MSW," and together with CGB, "**Licensees**" and each a "**Licensee**") and Bicoastal Columbia River, LLC, a limited liability company organized and subsisting under the laws of the State of State of Delaware (the "**Programmer**").

B A C K G R O U N D

WHEREAS, CGB is the Federal Communications Commission (the "**FCC**") licensee of radio stations KACI(AM) and KACI-FM, The Dalles, OR, and KIH(AM) and KCGB-FM, Hood River, OR, and MSW is the FCC licensee of radio station KMSW(FM), The Dalles, OR (collectively the "**Stations**"), and CGB and MSW (each a "Licensee" and together "Licensees") have available broadcasting time on the Stations.

WHEREAS, Programmer desires to avail itself of the broadcast time of the Stations for the presentation of a programming service, including the sale of advertising time, in accordance with procedures and policies approved by the FCC.

WHEREAS, Licensees maintain, as required by the FCC, two separate main studios for the Stations, one at 1190 22nd Street, Hood River, OR ("Hood River Studio") and the other at 502 Washington Street, Suite 203, The Dalles, OR ("The Dalles Studio").

WHEREAS, Licensees intend, as required by the FCC, to maintain a full-time management and staff presence at each main studio location during the term of this Agreement.

WHEREAS, Licensees and Programmer have entered into an Asset Purchase Agreement dated the date hereof, providing for the purchase of the Stations by Programmer from Licensees (the "**Purchase Agreement**").

A G R E E M E N T

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants and agreements contained herein, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Sale Of Time

1.1. Broadcast of Programming

During the Term, as defined below, Licensees shall make available exclusively to Programmer broadcast time on each of the Stations for the broadcast of Programmer's programs (the "**Programming**") for up to One Hundred Sixty-Six (166) hours a week for the term of this Agreement except for: (a) downtime occasioned by routine maintenance consistent with prior practice; (b) two hours per week at times mutually-agreeable to Licensees and Programmer

during which time Licensees may broadcast additional programming designed to address the concerns, needs and issues of the Stations' listeners ("**Licensees' Public Service Programming**"); (c) times when Programmer's programs are not accepted or are preempted by Licensees in accordance with Section 2.3 of this Agreement or because such Programming does not satisfy the standards of Section 2.4.1 of this Agreement; and (d) Force Majeure Events, as defined in Section 1.5 of this Agreement (as adjusted, the "**LMA Hours**").

1.2. Term

The term of this Agreement (the "**Term**") shall be for the period commencing on February 1, 2007 or such other time as the parties mutually agree (the "**Effective Date**"), and terminating on the earliest of: (a) the assignment to the Programmer, or its affiliated entity, of the licenses and authorizations issued by the FCC for the Stations in accordance with the Purchase Agreement; (b) termination of this Agreement pursuant to Section 7; or (c) the termination of the Purchase Agreement.

1.3. Payments

Programmer shall pay to Licensees the fee set forth on Schedule 1.3 hereto for the rights granted under this Agreement (the "**Monthly Fee**") and shall reimburse Licensees operating expenses as set forth on Schedule 1.3. Except as to actions taken in accordance with Licensees' rights under Section 2.3 of this Agreement or as to Programming that does not meet the requirements of Section 2.4.1 of this Agreement, in the event that, during the LMA Hours, any Licensee preempts, deletes, delays, suspends, cancels or fails to broadcast any of the Programming and/or causes any of the Programming to be broadcast in a daypart other than the daypart for which the Programmer provided such Programming, Programmer shall receive a credit equal to the *pro rata* portion of the Monthly Fee paid for the broadcast of the Programming pursuant to Schedule 1.3 for the month in which such preemption, deletion, delay, suspension, cancellation or failure to broadcast occurs. Any credit due Programmer shall be applied to the Monthly Fee due immediately following the calendar month during which such suspension, cancellation, preemption or delay subject to credit occurred.

1.4. Advertising and Programming Revenues

During the broadcast of the Programming delivered to the Stations by Programmer, Programmer shall have full authority to sell for its own account commercial time on the Stations and to retain all revenues and all accounts receivable arising from or relating to the Programming, including, without limitation, promotion-related revenues. Programmer may sell such advertising in combination with the sale of advertising on any other broadcast stations of its choosing.

1.5. Force Majeure Events

Any failure or impairment of facilities or any delay or interruption in broadcasting the Programming not directly or indirectly the fault of Licensees or their employees or agents, or failure at any time to furnish the facilities, in whole or in part, for broadcasting, due to acts of God, strikes or threats thereof, force majeure or any other causes beyond the control of Licensees (collectively, "**Force Majeure Events**"), shall not constitute a breach of this Agreement.

2. Programming And Operating Standards

2.1. Nature of the Programming

The Programming will consist of an entertainment format which will include news and public service programming. Upon request by Licensees, Programmer shall provide a description of the nature of the Programming to be produced by Programmer so that Licensees can determine if the broadcasting of the Programming on the Stations will serve the public interest.

2.2. Right to Use the Programming

The ownership of and all rights to use the Programming produced by Programmer and to authorize its use in any manner and in any media whatsoever shall be at all times vested solely in Programmer except as specifically authorized by this Agreement.

2.3. Obligations and Rights of Licensees

Licensees shall be ultimately responsible for the control of the day-to-day operations of the Stations and for complying with the FCC's rules and regulations with respect to (a) the staffing and maintenance of the Station's main studios located at 1190 22nd Street and 502 Washington Street, Suite 203; (b) the carriage of political advertisements and programming (including, without limitation, the rights of candidates and, as appropriate, others to equal opportunities, lowest unit charge and reasonable access); (c) the broadcast and nature of public service programming; (d) the maintenance of political and public inspection files and the Stations' logs; (e) the ascertainment of issues of community concern; (f) the preparation of all quarterly issues/programs lists; and (f) the preparation and filing with the FCC of all required material with respect to the Stations, including the Stations' Biennial Ownership Report and periodic employment reports.

2.3.1. Licensees' Right to Reject Programming

Licensees shall retain the right to accept or reject any Programming or advertising announcements or material which each Licensee in its good faith, reasonable judgment deems contrary to the Communications Act of 1934, as amended and the rules, regulations and policies of the FCC promulgated thereunder (the "FCC"). Licensees reserve the right to refuse to broadcast any Programming containing matter that Licensees reasonably in good faith believes to be, or that Licensees reasonably in good faith believes may be determined by the FCC or any court or other regulatory body with authority over Licensees or the Stations to be, violative of any right of any third party or indecent, profane or obscene. Licensees may take any other actions necessary to ensure that the Stations' operations comply with the laws of the United States, the State of Oregon, and the FCA (including the prohibition on unauthorized transfers of control). Notwithstanding anything herein to the contrary, if, in the reasonable good faith judgment of each Licensee or its General Manager, any portion of the Programming presented by Programmer does not meet the requirements of Section 2.4.1 of this Agreement, Licensees may suspend, cancel or refuse to broadcast any such portion of the Programming without reduction or offset in the payments due Licensees under this Agreement. Licensees

expressly agrees that its right to reject or preempt any of the Programming shall not be exercised in an arbitrary manner or for the commercial advantage of Licensees.

2.3.2. Licensees' Right to Preempt Programming for Special Events

Each of the Licensees shall have the right, in its reasonable, good faith judgment, to preempt any of the broadcasts of the Programming in order to broadcast a program deemed by Licensees to be of greater national, regional, or local interest, and to use part or all of the hours of operation of the Stations for the broadcast of events of special importance. In all such cases, each of the Licensees will use its best efforts to give Programmer reasonable advance notice of its intention to preempt any regularly scheduled Programming, and, in such event, Programmer shall receive a payment credit for the Programming so omitted equal to any amounts received by Licensees in conjunction with such programming. Each of the Licensees expressly agrees that its right to reject or preempt any of the Programming shall not be exercised in an arbitrary manner or for the commercial advantage of Licensees.

2.3.3. Maintenance and Repair of Station Facilities and Equipment

Except where Programmer has, under Section 2.4.6. hereof, assumed the responsibility of maintenance and repair of certain station facilities and equipment, Licensees shall be responsible for maintaining the Stations' transmission equipment and facilities, including the respective antennas, transmitters and transmission lines, and, shall provide for the delivery of electrical power to the Stations' transmitting facilities in order to permit operation of the Stations. With the cooperation of Programmer, Licensees shall make such repairs as are reasonably necessary to resume operation of the Stations with their maximum authorized facilities as expeditiously as possible following the occurrence of any loss or damage preventing such operation.

2.3.4. Main Studios

Each Licensee shall maintain a main studio (the "**Main Studios**") for the Stations in the manner required under FCC rules.

2.3.5. Compliance with FCC Technical Rules

To the extent required by FCC rules and regulations, each Licensee shall designate and engage at its expense a qualified Chief Operator for the Stations who shall be responsible for maintaining the transmission facilities of the Stations and who shall be responsible for ensuring compliance by the Stations with the technical operating and reporting requirements established by the FCC.

2.4. Obligations and Rights of Programmer

2.4.1. Compliance with Laws and Station Policies

All Programming shall conform in all material respects to all applicable provisions of the FCC, all other laws or regulations applicable to the broadcast of programming by the Stations, and the standards set forth in Schedule 2.4.1. At no time during the Term shall

Programmer or its employees or agents represent, hold out, describe, or portray Programmer as the licensee of the Stations. Programmer is familiar with the programming formats of the Stations and agrees that it will not, during the Term of this Agreement, make any material change in the format of any of the Stations without Licensees' prior written consent in their sole discretion.

2.4.2. License to Use Call Sign and Trademarks

During the term of this Agreement, Licensees grant Programmer the exclusive right to use the Stations' call signs and Licensees' service marks, trade marks, jingles, promotional materials, names and all other intellectual property owned by or licensed to Licensees (the "**Marks**") in connection with and during the Programming during the Term.

2.4.3. Cooperation with Licensees

Programmer, on behalf of Licensees, shall furnish within the Programming all Station identification announcements required by the FCC, and shall, upon request by Licensees, provide to Licensees information with respect to any of the Programming which is responsive to the public needs and interests of the area served by the Stations to assist Licensees in the preparation of any required programming reports and will provide upon request other information to enable Licensees to prepare other records, reports and logs required by the FCC or other local, state or federal governmental agencies. Programmer shall maintain and deliver to Licensees all records and information required by the FCC to be placed in the public inspection file of the Stations pertaining to the broadcast of political programming and advertisements, in accordance with the provisions of Sections 73.1940 and 73.3526 of the FCC's rules, and agrees that, when presenting to Licensees for broadcast on the Stations sponsored programming addressing political issues or controversial subjects of public importance, Programmer will do so in accordance with the provisions of Section 73.1212 of the FCC's rules and the applicable rules of the Federal Election Commission. Programmer shall consult with Licensees and adhere to all applicable provisions of the FCA, as announced from time to time, with respect to the carriage of political advertisements and programming (including, without limitation, the rights of candidates and, as appropriate, other parties, to "*equal opportunities*") and the charges permitted for such programming or announcements, and, in the event of a dispute, Licensee's determination shall govern.

2.4.4. Payola and Plugola

Programmer shall provide to Licensees in advance any information known to Programmer regarding any money or other consideration which has been paid or accepted, or has been promised to be paid or to be accepted, for the inclusion of any matter as a part of any programming or commercial material to be supplied to Licensees by Programmer for broadcast on the Stations, unless the party making or accepting such payment is identified in the program as having paid for or furnished such consideration in accordance with FCC requirements. Commercial matter with obvious sponsorship identification will not require disclosure beyond the sponsorship identification contained in the commercial copy. Programmer shall at all times comply with the requirements of Sections 317 and 507 of the FCA. Programmer shall require

each of its on-air employees to execute a Payola and Plugola Certification in the form of Exhibit A, attached hereto and incorporated herein.

2.4.5. Handling of Communications

Programmer shall promptly provide Licensees with the original or a copy of any correspondence from a member of the public relating to the Programming to enable Licensees to comply with FCC rules and policies, including those regarding the maintenance of the public inspection file. Licensees shall not be required to receive or handle mail, cables, telegraph or telephone calls in connection with the Programming. Licensees shall promptly forward to Programmer all correspondence, payments, communications or other information and/or documents which it receives and which relate to the Programming, including without limitation, invoices, billing inquiries, checks, money orders, wire transfers, or other payments for services or advertising.

2.4.6. Use, Maintenance and Repair of Licensees' Facilities and Equipment

During the Term, Programmer shall be entitled to use Licensees' present Main Studios in the manner currently utilized by Licensees without further compensation prior to the closing under the Purchase Agreement except for the Monthly Fee and for the separate monthly rental fee listed in Schedule 1.3 hereto for the Hood River Studio. When Programmer originates the Programming from any place other than the Stations' present Main Studios, Programmer shall be solely responsible, at its sole cost and expense, for delivering the Programming to the Stations' transmitter sites for broadcast on the Stations. In the event that Programmer needs to obtain a studio transmitter link or similar FCC authorization to facilitate Programmer's delivery of the Programming to the Stations' transmitter sites from any place other than the Main Studios, Licensees agrees that they shall cooperate reasonably with Programmer to file any required application for such authority with the FCC, at the sole cost of Programmer. Except as otherwise required by the FCC, if any of the studio facilities and equipment of Licensees are used by Programmer, Programmer shall have full responsibility for the care and maintenance, at its sole cost and expense, of such facilities and equipment utilized; provided that Programmer's financial responsibility will not extend to capitalized equipment such as a transmitter, but will include non-capitalized equipment including parts and office and studio equipment. Except for remote broadcasts in the ordinary course of business, none of Licensees' equipment or property shall be removed from the Main Studios or other present location of such property without the prior written permission of Licensees.

3. Responsibility For Employees And Expenses

3.1. Licensees' Responsibility for Employees and Expenses

Licensees will employ at least two persons at each of the two main studios for the Stations: a full-time General Manager for the Stations (who may or may not also be the designated Chief Operator), who shall report and be solely accountable to Licensees and shall direct the day-to-day operations of the Stations, and a staff-level employee who shall report to and assist the manager in the performance of his or her duties. Licensees will be responsible for

the salaries, benefits, taxes, insurance and similar expenses for these two employees (subject to reimbursement by Programmer as set forth herein). Whenever at the Main Studios or otherwise on the premises of the Stations, all of Programmer's personnel shall be subject to the supervision and the direction of the Licensees' General Manager and/or the Licensees' Chief Operator, as designated by Licensees. Licensees shall be responsible for the timely payment of the following expenses (subject to reimbursement by Programmer as set forth herein): (a) lease payments for the Main Studios and transmitter site and all taxes and other costs incident thereto; (b) all FCC regulatory fees; (c) real estate and personal property taxes; (d) utility costs (telephone, electricity, etc.) relating to the existing transmitting site, transmitter and antennas, and Licensees' expenses under ASCAP, SESAC and BMI licenses, as required by such organizations; (e) maintenance and repair costs with respect to the transmitting equipment of the Stations; and (f) all other reasonable and necessary payments related to the continued ownership or operation of the Stations incurred by Licensees which are not paid directly by Programmer in accordance with the terms hereof.

3.2. Programmer's Responsibility for Employees and Expenses

Programmer shall be responsible for the artistic personnel and material for the production of the Programming to be provided under this Agreement. Programmer shall employ and be responsible for the salaries, taxes, insurance and related costs for all of its personnel used in fulfillment of its rights and obligations under this Agreement. Programmer shall pay for all costs associated with production of the Programming and listener responses, including fees to ASCAP, BMI and SESAC, any other copyright fees, and all other costs or expenses attributable to the Programming that is delivered by Programmer and broadcast on the Stations. Programmer shall pay all maintenance and repair costs for the studio and studio equipment used by Programmer in the production of the Programming. Programmer shall maintain at its expense commercially reasonable coverage for broadcaster's liability insurance, worker's compensation insurance and commercial general liability insurance with reputable insurance companies reasonably acceptable to Licensees. Licensees shall be named as an additional insured on such policies, and such policies shall not be terminable without notice to Licensees and an opportunity to cure any default thereunder. Programmer shall deliver to Licensees upon request a current certificate establishing that such insurance is in effect. Programmer shall, if required under the FCA, be responsible for adherence to the FCC's EEO outreach and recruitment policies.

3.3. No Third Party Beneficiary Rights

No provisions of this Agreement shall create any third party beneficiary rights of any employee or former employee (including any beneficiary or dependent thereof) of Licensees in respect of continued employment (or resumed employment) with Licensees or with Programmer or in respect of any other matter.

4. Assignment And Assumption Of Certain Agreements, Rights And Obligations

4.1. Assumption of Obligations

As of the Effective Date, Licensees shall assign to Programmer and Programmer shall assume all rights and obligations arising or accruing after the Effective Date under those

agreements (the “**Assumed Agreements**”) identified on Schedule 4.1 hereto, including without limitation all cash advertising and trade agreements of the Stations. If Licensees are unable to obtain any necessary consent for the assignment of any Assumed Agreement as of the Effective Date, to the extent permitted by law, Programmer and Licensees shall cooperate so as to make the benefits of any such agreement available to Programmer in its operation of the Stations.

4.2. Limitation

Except as set forth in Section 4.1 of this Agreement, Programmer expressly does not, and shall not, assume or be deemed to assume, under this Agreement or otherwise by reason of the transactions contemplated hereby, any liabilities, obligations or commitments of Licensees of any nature whatsoever.

4.3. Prorations

All income and expenses under the Assumed Agreements shall be prorated between Licensees and Programmer as of the Effective Date in accordance with the general principle that Licensees are responsible for all expenses and entitled to all income relating to periods prior to the Effective Date and Programmer shall be responsible for such expenses and entitled to all income during the term of this Agreement. To the extent practicable, such prorations shall be completed within 30 days after the Effective Date.

4.4. Accounts Receivable of the Stations Relating to Period Prior to the Effective Date

The accounts receivable of the Stations with respect to programming broadcast by Licensees prior to the Effective Date shall remain the property of Licensees. Within ten (10) days following the Effective Date, Licensees shall deliver to Programmer a schedule of Cash Accounts Receivable for the Stations as of the Effective Date (the “**Schedule of Accounts Receivable**”). Programmer agrees to collect for Licensees their Accounts Receivable as shown on the Schedule of Accounts Receivable delivered by Licensees for a period expiring on the earlier of (i) one hundred twenty (120) days from the Effective Date or (ii) the termination of this Agreement (the “**Collection Period**”). Licensees will provide Programmer a power of attorney or other required authorization, as necessary, for the limited purpose of allowing Programmer, for the benefit of Licensees, to endorse and deposit checks and other instruments received in payment of such Accounts Receivable. All payments received by Programmer from any customer whose name appears in the Schedule of Accounts Receivable, whether or not also a customer of Programmer, shall be credited as payment of the oldest Licensee account balance for that customer.. The only exception to this requirement is if payment is made by an ad agency or through Tacher which has designated a specific invoice in which case such payment shall be credited to the particular invoice. Programmer shall keep accurate records of the payment received by it on such Accounts Receivable and Licensees shall have access at reasonable times to Programmer’s records to verify such status of the Accounts Receivable. Programmer shall remit to Licensees, without setoff or deduction of any kind, on the fifteenth of each month amounts collected by Programmer on such Accounts Receivable, during the immediately preceding month along with a written accounting of same, including without limitation, to the extent Licensees’ traffic and billing system can produce same, a detailed open Accounts

Receivable report reflecting payments remitted therewith. Any Accounts Receivable that have not been collected within such period set forth above, or any Accounts Receivable which have been disputed by a customer, shall be returned to Licensees, together with all records in connection therewith, including without limitation, to the extent Licensees' traffic and billing systems can produce same, a detailed open Accounts Receivable report reflecting payments remitted therewith, whereupon Licensees may pursue collection thereof in such manner as they, in their sole discretion, may determine. Programmer shall not have the right to (i) compromise, settle, or adjust the amounts of any of the Accounts Receivable without Licensees' prior written consent, (ii) deduct, setoff or withhold any proceeds of the Accounts Receivable or (iii) retain any uncollected Accounts Receivable for any reason whatsoever. Notwithstanding the foregoing, Programmer shall deduct from any collected Accounts Receivable the sum equal to all salesperson's, agency and representative commissions due, in accordance with Licensees policies and agreements as to such commissions, with respect to the Account's Receivable, unless any such commission has been disputed by any Licensee and Programmer shall promptly pay upon such deduction all such commissions directly to such salesperson, agency or representative, unless any such commission has been disputed by any Licensee. Consistent with Licensee's policy, if a sale commission has been paid, by Programmer using Licensee's monies, on a Licensee account receivable that remains unpaid in full at the end of the Collection Period, Programmer shall remit such commission to Licensees at the end of the Collection Period. Programmer shall promptly provide Licensees upon request a written accounting of all such commissions paid by Programmer.

5. Indemnification

5.1. Indemnification

From and after the Effective Date, Licensees and Programmer shall indemnify, defend, protect and hold harmless the other and their members, managers, owners and affiliates (the "**Indemnitees**") from and against any and all losses, costs, damages, liabilities or expenses (including reasonable attorneys' fees and expenses) (collectively, "**Claims**") arising out of or in any way caused by (a) any programming provided by such party for broadcast on the Stations; (b) any breach by such party of a representation, warranty, covenant or other agreement contained in this Agreement; (c) the negligence of such party, its employees or agents in fulfilling its obligations under this Agreement or (d) any other action or inaction of such party, its employees or agents relating to the Stations. Without limiting the generality of the preceding sentence, Licensees shall indemnify and hold Programmer and its Indemnitees harmless from and against, and Programmer will indemnify and hold Licensees and its Indemnitees harmless from and against, liability with respect to matters arising from or relating to any programming produced or supplied by indemnifying party, including liability for libel, slander, infringement of copyright or other intellectual property, violation of rights of privacy or proprietary rights, and for any claims of any nature, including fines imposed by the FCC, as a result of the broadcast on the Stations of any programming produced or supplied by indemnifying party, including, without limitation, any programming which the FCC determines was in violation of any FCC rule, regulation or policy relating to lotteries or games of chance; obscenity, profanity or indecency; broadcast hoaxes; or the adequacy of sponsorship identification.

5.2. Procedure for Indemnification

The procedure for indemnification shall be as follows:

5.2.1. Notice

The party seeking indemnification (the “**Claimant**”) shall give notice to the party from whom indemnification is sought (the “**Indemnitor**”) of any claim, whether solely between the parties or brought by a third party, specifying (i) the factual basis for the claim, and (ii) the amount of the claim. If the claim relates to an action, suit or proceeding filed by a third party against Claimant, notice shall be given by Claimant within fifteen (15) business days after written notice of the action, suit or proceeding was given to Claimant. In all other circumstances, notice shall be given by Claimant within thirty (30) business days after Claimant becomes, or should have become, aware of the facts giving rise to the claim. Notwithstanding the foregoing, Claimant’s failure to give Indemnitor timely notice shall not preclude Claimant from seeking indemnification from Indemnitor except to the extent that Claimant’s failure has materially prejudiced Indemnitor’s ability to defend the claim or litigation.

5.2.2. Claims Between Parties

With respect to claims between the parties, following receipt of notice from the Claimant of a claim, the Indemnitor shall have thirty (30) business days to make any investigation of the claim that the Indemnitor deems necessary or desirable. For the purposes of this investigation, the Claimant agrees to make available to the Indemnitor and/or its authorized representatives the information relied upon by the Claimant to substantiate the claim. If the Claimant and the Indemnitor cannot agree as to the validity and amount of the claim within the 30-day period (or any mutually agreed upon extension thereof), the Claimant may seek appropriate legal remedy.

5.2.3. Third Party Claims

With respect to any claim by a third party as to which the Claimant is entitled to indemnification hereunder, the Indemnitor shall have the right at its own expense to participate in or assume control of the defense of the claim, and the Claimant shall cooperate fully with the Indemnitor, subject to reimbursement for actual out-of-pocket expenses incurred by the Claimant as the result of a request by the Indemnitor. If the Indemnitor elects to assume control of the defense of any third-party claim, the Claimant shall have the right to participate in the defense of the claim at its own expense. If the Indemnitor does not elect to assume control or otherwise participate in the defense of any third party claim, Claimant may, but shall have no obligation to, defend or settle such claim or litigation in such manner as it deems appropriate, and in any event Indemnitor shall be bound by the results obtained by the Claimant with respect to the claim (by default or otherwise) and shall promptly reimburse Claimant for the amount of all expenses (including the amount of any judgment rendered), legal or otherwise, incurred in connection with such claim or litigation. The Indemnitor shall be subrogated to all rights of the Claimant against any third party with respect to any claim for which indemnity was paid.

5.3. *Limitations*

Neither Programmer nor Licensees shall have any obligation to the other party for any indemnification hereunder except upon compliance by the other party with the provisions of this Section 5. Neither party shall be required to indemnify the other party under this Agreement for any breach of any representation or warranty contained in this Agreement unless written notice of a Claim was received by the party within the pertinent survival period specified in Section 5.4 of this Agreement.

5.4. *Survival of Representations, Warranties and Covenants*

The representations, warranties, covenants, indemnities and agreements contained in this Agreement or in any certificate, document or instrument delivered pursuant to this Agreement are and will be deemed and construed to be continuing representations, warranties, covenants, indemnities and agreements and shall survive any termination or expiration of this Agreement for a period of eighteen (18) months after such termination or expiration. No Claim may be brought under this Agreement unless written notice describing in reasonable detail the nature and basis of such Claim is given prior to such expiration. Any investigation by or on behalf of any party hereto shall not constitute a waiver as to enforcement of any representation, warranty, covenant or agreement contained in this Agreement.

6. *Events Of Default And Cure Periods*

6.1. *Events of Default*

The following shall, after the expiration of the applicable cure periods as set forth in Section 6.2, each constitute an Event of Default under this Agreement:

6.1.1. *Non-Payment*

Programmer's failure to pay when due the Monthly Fee payable under Section 1.3 and Schedule 1.3 of this Agreement.

6.1.2. *Default in Covenants or Adverse Legal Action*

a. Any party (i) defaults in the performance of any material covenant, condition or undertaking contained in this Agreement, (ii) makes a general assignment for the benefit of creditors, or (iii) files or has filed against it a petition for bankruptcy, for reorganization or an arrangement, or for the appointment of a receiver, trustee or similar creditors' representative for the property or assets of such party under any federal or state insolvency law, which, if filed against such party, has not been dismissed or discharged within 60 days thereafter, or

b. As a consequence of any act or omission of Licensees or Programmer, the FCC commences any hearing with respect to the Stations, issues a Show Cause Order, or issues a Notice of Apparent Liability or Order of Forfeiture with respect to the Stations.

6.1.3. Breach of Representation

Any material representation or warranty made by either party to this Agreement, or in any certificate or document furnished by either party to the other pursuant to the provisions of this Agreement, proves to have been false or misleading in any material respect as of the time made or furnished.

6.2. Cure Periods

Except as provided herein, an Event of Default shall not be deemed to have occurred until ten (10) business days after the non-defaulting party has provided the defaulting party with written notice specifying the event or events that, if not cured, would constitute an Event of Default and specifying the actions necessary to cure the default(s) within such period. If not cured within that ten (10) business day period, the Event of Default shall be deemed to have occurred as of the expiration of the cure period. For a default in payment as required under Section 1.3 on the date provided for in Schedule 1.3, an Event of Default shall not be deemed to have occurred until two business days after such payment would otherwise be due. The cure period for a failure by Programmer to supply the Programming for broadcast by the Stations shall be two business days from the receipt of written notice by Licensees.

7. Termination

7.1. Termination Upon Default

Upon the occurrence of an Event of Default, the non-defaulting party may terminate this Agreement, provided that it is not also in material default of this Agreement. If Programmer has defaulted in the performance of its obligations, all amounts accrued or payable to Licensees up to the date of termination which have not been paid shall immediately become due and payable. A default by either party under this Agreement shall be deemed to be a default by such party under the Purchase Agreement.

7.2. Programmer's Termination Option

Programmer may terminate this Agreement at any time during the Term in the event that (i) any Licensee preempts, cancels, delays or substitutes other programming for the Programming during five percent (5%) or more of the total number of LMA Hours during any calendar month; or (ii) one or more Force Majeure Events prevent any operation of the Stations for a period of six or more consecutive days. In the event that Programmer elects to terminate this Agreement under this Section 7.2, Programmer shall provide Licensees with written notice not less than thirty (30) or sixty (6) days prior to the effective date of termination unless a shorter period of time is mutually agreed upon by the parties. Upon termination, all sums owing to Licensees by Programmer shall be paid and neither party shall have any further liability to the other except as may be available under Sections 7.4, 7.5 and/or 7.6 of this Agreement.

7.3. Termination for Change in Governmental Rules or Policies

The parties believe that the terms of this Agreement meet all of the requirements of current federal governmental policy, including that of the FCC, for time brokerage or local

marketing agreements, and agree that they shall negotiate in good faith to meet any governmental concern with respect to this Agreement. If the parties cannot agree within a reasonable time to modification(s) deemed necessary by either party to meet such governmental requirements, either party may terminate this Agreement upon written notice to the other.

7.4. Certain Matters Upon Termination

7.4.1. No Obligation to Provide Time

If this Agreement is terminated for any reason other than the occurrence of the consummation of the assignment to Programmer of the licenses and authorizations issued by the FCC for the Stations, Licensees shall be under no further obligation to make available to Programmer any broadcast time or broadcast transmission facilities, and Programmer shall have no further obligations to make any payments to Licensees under Schedule 1.3 attributable to any period after the effective date of termination. Programmer shall be solely responsible for all of its liabilities, debts and obligations to third parties incident to Programmer's purchase of broadcast time under this Agreement, including, accounts payable, provided that Licensees shall be responsible for Licensees' federal, state, and local tax liabilities associated with Programmer's payments to Licensees under Schedule 1.3. So long as this Agreement is not terminated as a result of a breach by Programmer, Licensees agrees that it will cooperate reasonably with Programmer to discharge in exchange for reasonable compensation any remaining obligations of Programmer in the form of air time following the effective date of termination.

7.4.2. Assignment of Reassumed Contracts

Programmer shall assign, transfer and convey to Licensees, and Licensees shall assume, all of Programmer's rights in, to and under the Assumed Agreements that remain in effect on the date of such termination. Licensees shall have the right, but not the obligation, to assume any contracts entered into by Programmer during the term hereof ("**Programmer's Contracts**," and together with the Assumed Agreements, "**Reassumed Contracts**"). If Licensees gives Programmer written notice that it will assume Programmer's Contracts, Programmer shall promptly obtain and deliver to Licensees, at Programmer's expense, any necessary consents to the assignment of Programmer's Contracts to Licensees. Programmer shall promptly provide Licensees with the benefit of such Reassumed Contracts as of the effective date of termination in the manner provided in Section 4.1 of this Agreement.

7.4.3. Assumption of Reassumed Contracts; Prorations

Licensees shall assume all rights and obligations arising or accruing on or after the effective date of termination pursuant to the Reassumed Contracts, and Programmer shall be responsible for the rights and obligations under (i) the Reassumed Contracts arising on or after the Effective Date and prior to the effective date of termination of this Agreement and (ii) all Programmer's Contracts not assumed by Licensees. The parties agree to prorate any overlapping expenses and income with respect to the Stations after the effective date of termination in accordance with the principle that Programmer is responsible for all expenses and entitled to all income relating to periods prior to the effective date of termination and Licensees shall be responsible for such expenses and entitled to all income on and after termination. To the

extent practicable, such prorations shall be completed within 30 days after the effective date of termination of this Agreement.

7.4.4. Return of Equipment

Programmer shall return to Licensees any of Licensee's equipment or property used by Programmer, its employees or agents, in substantially the same condition as such equipment existed on the Effective Date, ordinary wear and tear excepted.

7.5. *Liability for Prior Conduct*

No expiration or termination of this Agreement shall terminate the obligation of each party to indemnify the other for claims of third parties under Section 5 of this Agreement or limit or impair any party's rights to receive or make payments due and owing in accordance with this Agreement on or before the date of such termination.

7.6. *Attorneys' Fees and Costs*

In the event any action or proceeding is commenced by either party to enforce the provisions of this Agreement or to seek remedies for a breach or wrongful termination of this Agreement, the prevailing party in such an action or proceeding shall be entitled to the award of its reasonable attorneys fees and costs incurred in and relating to such an action or proceeding.

8. Representations And Warranties

8.1. *Representations and Warranties of Licensees*

Licensees hereby represents and warrants that:

8.1.1. Organization and Standing

CGB is a corporation duly established and in good standing under the laws of the State of Oregon and MSW is a limited liability company duly established and in good standing under the laws of the State of Oregon and has all necessary right, power and authority to own the Stations' assets, to lease all leased assets and to utilize all of the Stations' assets and to carry on the business of the Stations.

8.1.2. Binding Obligation

Each Licensee has all necessary power to enter into and perform this Agreement and the transactions contemplated hereby. This Agreement constitutes a valid and binding obligation of Licensees, enforceable in accordance with its terms.

8.1.3. Absence of Conflicting Agreements or Required Consents

The execution, delivery and performance of this Agreement by Licensees (a) do not and will not require the consent or approval of or any filing with any third party or governmental authority, other than the FCC; (b) do not and will not violate any applicable law,

judgment, order, injunction, decree, rule, regulation or ruling of any governmental authority; and (c) do not and will not, either alone or with the giving of notice or the passage of time, or both, conflict with, constitute grounds for termination or acceleration of or result in a breach of the terms, conditions or provisions of, or constitute a default under any agreement, lease, instrument, license or permit to which Licensees or any of its assets is now subject; and (d) do not and will not violate any provision of either Licensees' organizational documents. Licensees own and hold all licenses and other permits and authorizations necessary for the operation of the Stations as presently conducted, and such licenses, permits and authorizations will be in full force and effect for the entire term hereof. There is not now pending or, to Licensees' best knowledge, threatened, any action by the Commission or other party to revoke, cancel, suspend, refuse to renew or modify adversely any of such licenses, permits or authorizations of such a nature that may limit the operation of the Station as presently conducted. Licensees have no reason to believe that any such license, permit or authorization will not be renewed during the term of the Agreement in its ordinary course. Licensees are not in any material violation of any statute, ordinance, rule, regulation, policy, order or decree of any federal, state, local or foreign government entity, court or authority having jurisdiction over it or over any part of its operations or assets, which default or violation would have an adverse effect on Licensees or their assets or on its ability to perform this Agreement.

8.1.4. FCC Reports and Applications.

All reports and applications required to be filed with the FCC (including ownership reports and renewal applications) or any other government entity, department or body in respect of the Stations have been filed 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 and required thereby; except where the failure to do so would not have a material adverse effect on the Stations or business of the Programmer taken as a whole.. 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.

8.1.5. Title.

Licensees have, and will throughout the term hereof, maintain good and marketable title to all of the assets and properties used in the operation of the Stations, free and clear of any liens, claims, claims or security interests except for such security interests which are in affect as of the date hereof, the payment for which Licensees shall be solely responsible. Licensees will not dispose of, transfer, assign or pledge any such asset, except with the prior written consent of Programmer, if such action would affect materially adversely Licensees' performance hereunder or the business and operation of Programmer permitted hereby.

8.2. Representations and Warranties of Programmer

Programmer hereby represents and warrants that:

8.2.1. Organization and Standing

Programmer is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware and, to the extent necessary, is in

good standing as a foreign entity able to transact business in the State of Oregon and has all necessary power and authority to perform its obligations hereunder.

8.2.2. Authorization and Binding Obligation

Programmer has all necessary power and authority to enter into and perform this Agreement and the transactions contemplated hereby, and Programmer's execution, delivery and performance of this Agreement has been duly and validly authorized by all necessary action on its part. This Agreement has been duly executed and delivered by Programmer and constitutes its valid and binding obligation enforceable against Programmer in accordance with its terms.

8.2.3. Absence of Conflicting Agreements or Required Consents

The execution, delivery and performance of this Agreement by Programmer: (a) do not and will not violate any provision of Programmer's organizational documents; (b) do not and will not require the consent of any third party or governmental authority other than the FCC; (c) do not and will not violate any law, judgment, order, injunction, decree, rule, regulation or ruling of any governmental authority; and (d) do not and will not, either alone or with the giving of notice or the passage of time, or both, conflict with, constitute grounds for termination or acceleration of or result in a breach of the terms, conditions or provisions of, or constitute a default under any agreement, lease, instrument, license or permit to which Programmer is now subject.

9. Certifications

9.1. Programmer's Certification

Programmer hereby certifies that this Agreement complies with the provisions of Sections 73.3555 (a) of FCC rules.

9.2. Licensees' Certification

Each Licensee hereby certifies that it shall maintain the ultimate control over the Stations' facilities, including but not limited to control over the finances with respect to the operation of the Stations, over its personnel operating the Stations, and over the programming to be broadcast by the Stations.

10. Miscellaneous

10.1. Modification and Waiver

No modification or waiver of any provision of this Agreement shall be effective unless made in writing and signed by the party adversely affected, and any such waiver and consent shall be effective only in the specific instance and for the purpose for which such consent was given.

10.2. No Waiver; Remedies Cumulative

No failure or delay on the part of Licensees or Programmer in exercising any right or power under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the parties to this Agreement are cumulative and are not exclusive of any right or remedies which either may otherwise have.

10.3. Governing Law

The construction and performance of this Agreement shall be governed by the laws of the State of Oregon without regard to its principles of conflict of law.

10.4. No Partnership or Joint Venture

This Agreement is not intended to be and shall not be construed as a partnership or joint venture agreement between the parties. Except as otherwise specifically provided in this Agreement, no party to this Agreement shall be authorized to act as agent of or otherwise represent any other party to this Agreement.

10.5. Benefit and Assignment

This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. Neither Programmer nor Licensees may assign or transfer its rights under this Agreement, or delegate any of its obligations hereunder, without the prior written consent of the other parties hereto provided that Programmer may, without the consent of Licensees, (i) assign its rights and obligations hereunder in whole or in part to any entity under common control with Programmer provided that the assignee agrees, in writing, to assume and be bound by Programmer's obligations hereunder. In the event that Programmer finds it necessary or is required to provide to a third party a collateral assignment of Programmer's interest in this Agreement and/or any related documents, Licensees shall cooperate reasonably with Programmer, at the cost and expense of Programmer, and any third party requesting such assignment, including but not limited to Licensees' execution of a consent and acknowledgment of such assignment. Upon any such assignment by Programmer of its rights hereunder, references to "**Programmer**" shall include such assignee, provided, however, that no such assignment shall relieve Programmer of any obligation hereunder.

10.6. Headings

The headings set forth in this Agreement are for convenience only and will not control or affect the meaning or construction of the provisions of this Agreement.

10.7. 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.

10.8. Notices

Any notice, report, demand, waiver or consent required or permitted hereunder shall be in writing and shall be given by hand delivery, by prepaid registered or certified mail, with return receipt requested, or by an established national overnight courier providing proof of delivery for next business day delivery addressed as follows:

If to Licensees: Mr. and Mrs. Gregory Walden
1504 Sherman Avenue
Hood River, OR 07031
Facsimile: (541) 386-3477

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

Richard R. Zaragoza Esq.
Miles S. Mason, Esq.
Pillsbury Winthrop Shaw Pittman LLP
2300 N Street, NW
Washington, DC 20037
Facsimile: (202) 663-8007

If to Programmer: Bicoastal Holdings Co. LLC
One Blackfield Drive, #333
Tiburon, California
Attn: Ken Dennis
Facsimile: (415) 789-5036

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

Diamond Hill Equity Corporation
Four Tower Bridge
200 Barr Harbor Drive, Suite 400
W. Conshohocken, PA 19428
Attn: Paul A. Moses, Managing Director
Facsimile: (610) 940-9588

The date of any such notice and service thereof shall be deemed to be the day of delivery if hand delivered or delivered by overnight courier or the day of delivery as indicated on the return receipt if sent by mail. Either party may change its address for the purpose of notice by giving notice of such change in accordance with the provisions of this Section 10.8.

10.9. Severability

In the event that any of the provisions of this Agreement shall be held unenforceable, then the remaining provisions shall be construed as if such unenforceable provisions were not contained herein. Any provision of this Agreement which is unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such

unenforceability without invalidating the remaining provisions hereof, and any such unenforceability in any jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction. To the extent permitted by applicable law, the parties hereto hereby waive any provision of law now or hereafter in effect which renders any provision hereof unenforceable in any respect.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their duly authorized corporate officers and their respective corporate seals thereunto affixed on this the day and date first written above.


Columbia Gorge Broadcasters, Inc.

By: 
Name: Mylene S. Walden
Title: Vice President

M.S.W. Communications, L.L.C.


By: 
Name: Mylene S. Walden
Title: Member

Bicoastal Columbia River, LLC

By: 
Name: Kenneth R. Dennis
Title: President

FOR PURPOSES ONLY OF ENFORCEMENT OF
BUYER'S RIGHTS UNDER THIS AGREEMENT

Bicoastal Holdings Co., LLC

By: 
Name: Kenneth R. Dennis
Title: President