

Multiple Ownership Analysis

This transaction involves the acquisition of the full power commercial radio stations assigned to the rated markets shown below. The acquisition will be made using two commonly-owned entities – SMG – Tri-Cities, LLC for the stations assigned to the Richland-Kennewick-Pasco, WA rated market, and SMG - Yakima, LLC for the stations assigned to the Yakima, WA rated market. Separate assignment applications have therefore been filed to facilitate the ownership of the stations in the two market-based entities. However, this analysis properly considers all of the stations for purposes of determining compliance with the multiple ownership limits set forth in 47 CFR 73.3555.

| <i>Station</i> | <i>Svc</i> | <i>Community</i> | <i>Fac. Id.</i> | <i>Market</i> |
|-----------------------|-------------------|-------------------------|------------------------|------------------------------|
| KUJ-FM | FM | Burbank, WA | 77777 | Richland-Kennewick-Pasco, WA |
| KEGX | FM | Richland, WA | 53140 | Richland-Kennewick-Pasco, WA |
| KIOK | FM | Richland, WA | 12455 | Richland-Kennewick-Pasco, WA |
| KKSR | FM | Walla Walla, WA | 35717 | Richland-Kennewick-Pasco, WA |
| KALE | AM | Richland, WA | 63359 | Richland-Kennewick-Pasco, WA |
| KJOX | AM | Kennewick, WA | 53139 | Richland-Kennewick-Pasco, WA |
| | | | | |
| KXDD | FM | Yakima, WA | 7919 | Yakima, WA |
| KRSE | FM | Yakima, WA | 49876 | Yakima, WA |
| KARY-FM | FM | Grandview, WA | 53674 | Yakima, WA |
| KHHK | FM | Yakima, WA | 36031 | Yakima, WA |
| KTCR | AM | Selah, WA | 7918 | Yakima, WA |
| KBBO | AM | Yakima, WA | 49875 | Yakima, WA |

As set forth above, there are six stations (4 FM and 2 AMs) being acquired in each rated market.

The Richland-Kennewick-Pasco WA market has a total of 29 AM and FM commercial and non-commercial stations. *See Exhibit A.* Under 73.3555(a)(1)(iii), common ownership or control of up to six commercial stations, with no more than four in the same service, is permissible in markets with between 15-29 stations. Therefore, the planned acquisition by SMG – Tri-Cities, LLC of 4 FM and 2 AM stations in the Richland-Kennewick-Pasco WA rated market fully complies with the multiple ownership limits.

The Yakima, WA rated market has a total of 30 AM and FM commercial and non-commercial stations. *See Exhibit B.* Under 73.3555(a)(1)(ii), common ownership or control of up to 7 commercial stations, with no more than four in the same service, is permissible in markets with between 30-44 stations. Therefore, the planned acquisition by SMG – Yakima, LLC of 4 FM and 2 AM stations in the Yakima WA rated market fully complies with the multiple ownership limits.

Because KUJ-FM and KKSR are not licensed to communities in a metro county that is part of any Arbitron Market, but have contour overlap with the city-grade contours of KEGX, KIOK, KALE and KTCR, a separate contour overlap analysis is also necessary to show compliance with

the commercial station ownership limits of 73.3555. *See* Exhibit C. As set forth therein, the 73.3555 ownership limits are also met with respect to the non-rated market resulting from the contour overlap.

In summary, the proposed transaction fully complies with the FCC's multiple ownership limits.

EXHIBIT A

The following stations are in this market. To view an individual station's information, click on that station's call letters.

| Calls | AM/FM | Frequency | Market | Format |
|-------------------------|-------|-----------|------------------------------------|-------------|
| KALE | AM | 960 | Richland-Kennewick-Pasco, WA (179) | Clsc Hits |
| KBLD | FM | 91.7 | Richland-Kennewick-Pasco, WA (179) | Christian |
| KEGX | FM | 106.5 | Richland-Kennewick-Pasco, WA (179) | Clsc Rock |
| KEYW | FM | 98.3 | Richland-Kennewick-Pasco, WA (179) | Hot AC |
| KFAE | FM | 89.1 | Richland-Kennewick-Pasco, WA (179) | Clc/NPR/Jaz |
| KFLD | AM | 870 | Richland-Kennewick-Pasco, WA (179) | Talk/Sprts |
| KGDN | FM | 101.3 | Richland-Kennewick-Pasco, WA (179) | Christian |
| KIOK | FM | 94.9 | Richland-Kennewick-Pasco, WA (179) | Country |
| KJOX | AM | 1340 | Richland-Kennewick-Pasco, WA (179) | Sports |
| KKSR | FM | 95.7 | Richland-Kennewick-Pasco, WA (179) | AC |
| KLKY | FM | 96.1 | Richland-Kennewick-Pasco, WA (179) | Clsc Rock |
| KLRF | FM | 88.5 | Richland-Kennewick-Pasco, WA (179) | Christian |
| KMMG | FM | 96.7 | Richland-Kennewick-Pasco, WA (179) | Span/CHR |
| KOLU | FM | 90.1 | Richland-Kennewick-Pasco, WA (179) | RlgMs/Talk |
| KOLW | FM | 97.5 | Richland-Kennewick-Pasco, WA (179) | CHR/Rhymc |
| KONA | AM | 610 | Richland-Kennewick-Pasco, WA (179) | Nws/Tlk/Spt |
| KONA-FM | FM | 105.3 | Richland-Kennewick-Pasco, WA (179) | AC |
| KORD-FM | FM | 102.7 | Richland-Kennewick-Pasco, WA (179) | Country |
| KQBC | FM | 90.5 | Richland-Kennewick-Pasco, WA (179) | DARK |
| KQFO | FM | 100.1 | Richland-Kennewick-Pasco, WA (179) | AAA |
| KTCV | FM | 88.1 | Richland-Kennewick-Pasco, WA (179) | Alternative |
| KUJ | AM | 1420 | Richland-Kennewick-Pasco, WA (179) | Nws/Tlk/Spt |
| KUJ -FM | FM | 99.1 | Richland-Kennewick-Pasco, WA (179) | Top 40 |
| KWCC | FM | 106.1 | Richland-Kennewick-Pasco, WA (179) | Urban |
| KWDR | FM | 93.5 | Richland-Kennewick-Pasco, WA (179) | Smooth Jazz |
| KXRX | FM | 97.1 | Richland-Kennewick-Pasco, WA (179) | Rock |
| KZHR | FM | 92.5 | Richland-Kennewick-Pasco, WA (179) | Mexican |
| KZIU-FM | FM | 101.9 | Richland-Kennewick-Pasco, WA (179) | Country |
| KZTB | FM | 97.9 | Richland-Kennewick-Pasco, WA (179) | Mexican |

Source: BIA/Kelsey Richland-Kennewick-Pasco, WA Metro Station Listing, 3-22-18

EXHIBIT B

The following stations are in this market. To view an individual station's information, click on that station's call letters.

| Calls | AM/FM | Frequency | Market | Format |
|-------------------------|-------|-----------|------------------|-------------|
| KARY-FM | FM | 100.9 | Yakima, WA (198) | Oldies |
| KATS | FM | 94.5 | Yakima, WA (198) | Rock |
| KAYB | FM | 88.1 | Yakima, WA (198) | Chrst/Talk |
| KBBO | AM | 1390 | Yakima, WA (198) | Sports |
| KDBL | FM | 92.9 | Yakima, WA (198) | Country |
| KDNA | FM | 91.9 | Yakima, WA (198) | Spn/Edu/PbS |
| KDYK | AM | 1020 | Yakima, WA (198) | Mexican |
| KDYM | AM | 1230 | Yakima, WA (198) | Span/Relgn |
| KFFM | FM | 107.3 | Yakima, WA (198) | CHR |
| KHHK | FM | 99.7 | Yakima, WA (198) | RhyBl/HpHop |
| KIT | AM | 1280 | Yakima, WA (198) | News/Talk |
| KMGW | FM | 99.3 | Yakima, WA (198) | Rhymc/Oldes |
| KMNA | FM | 98.7 | Yakima, WA (198) | Mexican |
| KNWY | FM | 90.3 | Yakima, WA (198) | Cls/NPR/Jaz |
| KRSE | FM | 105.7 | Yakima, WA (198) | Clsc Rock |
| KSBC | FM | 88.3 | Yakima, WA (198) | DARK |
| KSOH | FM | 89.5 | Yakima, WA (198) | Chrst/Talk |
| KTCR | AM | 980 | Yakima, WA (198) | Country |
| KUTI | AM | 1460 | Yakima, WA (198) | Sports |
| KXDD | FM | 104.1 | Yakima, WA (198) | Country |
| KYAK | AM | 930 | Yakima, WA (198) | Christian |
| KYKV | FM | 103.1 | Yakima, WA (198) | ChrsContemp |
| KYNR | AM | 1490 | Yakima, WA (198) | VarHt/Ethnc |
| KYPL | FM | 91.1 | Yakima, WA (198) | ChrsContemp |
| KYTR | FM | 88.1 | Yakima, WA (198) | Religion |
| KYVT | FM | 88.5 | Yakima, WA (198) | Nws/Tlk/Inf |
| KYXE | FM | 104.9 | Yakima, WA (198) | Span/CCtmp |
| KZTA | FM | 96.9 | Yakima, WA (198) | Mexican |
| KZXR | AM | 1310 | Yakima, WA (198) | Mexican |
| KZXR-FM | FM | 101.7 | Yakima, WA (198) | Span/Oldes |

Source: BIA/Kelsey Yakima WA Metro Station Listing, 3/22/18.

EXHIBIT C – Contour Overlap Analysis

TECHNICAL STATEMENT
RADIO MULTIPLE OWNERSHIP ANALYSIS

This radio multiple ownership analysis was prepared on behalf of SMG-Tri-Cities, LLC which is proposing to acquire the AM and FM stations tabulated below. This analysis was prepared under the FCC “Interim” contour analysis method because KUJ-FM and KKSJ are not licensed to communities in a metro county that is part of any Arbitron Market but have contour overlap with other stations being acquired.¹

| Call Sign / Facility ID | Location | Facilities |
|---------------------------------------|-----------------|------------------------------|
| KUJ-FM / 77777 Licensed Facility | Burbank, WA | Channel 256C1 52 kW 385 m |
| KEGX(FM) / 53140 Licensed Facility | Richland, WA | Channel 293C0 100 kW 424.4 m |
| KIOK(FM) / 12455 Licensed Facility | Richland, WA | Channel 235C 100 kW 382 m |
| KKSJ(FM) / 35717 Licensed Facility | Walla Walla, WA | Channel 239C 100 kW 427 m |
| KALE(AM) / 63359 Licensed Facility | Richland, WA | 960 kHz 5 kW-D/1 KW-N DA-N |
| KJOX(AM) / 53139 Licensed Facility | Kennewick, WA | 1340 kHz 1 kW-U/ ND |

The principal community contours of these stations are depicted on a map included herein as Figure 1. Since the principal community contours (5 mV/m for AM stations, 3.16 mV/m for FM stations) of the stations above are involved in common overlap, an ownership study was prepared in accordance with the Federal Communications Commission multiple ownership rules as outlined in Section 73.3555.

Radio Markets

The “radio market” applicable to common ownership of the subject stations are defined as the area encompassed by the mutually overlapping principal

¹ See Report and Order and Notice of Proposed Rulemaking, MB Docket 02-277, FCC 03-127, Released July 2, 2003.

community contours of the stations proposed to be commonly owned. As listed in the Table below, there is one defined “radio market” formed by the subject stations:

| Defined Radio Market | Stations that Define Radio Market | |
|----------------------|-----------------------------------|--|
| | AM Stations | FM Station |
| Market 1 | KALE(AM), KJOX(AM) | KUJ-FM(FM), KEGX(FM), KIOK(FM), KKSJ(FM) |

Count of Stations in Defined Markets

The number of radio stations in a “radio market” is determined by counting the operating stations having principal community contours that overlap or intersect the principal community contours, which define the radio market. Only those stations located within 92 km of the perimeter of the mutual overlap area of the defined market area were employed in the count of stations. The results of the analysis are tabulated below:

| Defined Radio Markets | Total Number of Stations in the Radio Market |
|-----------------------|--|
| Market 1 | 12 AM, 36 FM; 48 Total |

Figure 2 is a tabulation of other stations in the defined markets. Only known licensed, operating stations were employed for the study. It is noted that the tabulation is not a complete list of all of the other stations in the market, but rather enough stations to show compliance with the FCC’s radio multiple ownership rules. Distances to the AM coverage contours were predicted using the antenna patterns as identified in the Commission’s AM database and the appropriate Ground Wave Field Strength versus Distance Graph of 47 CFR 73.184. Ground conductivity data were obtained from FCC Figure M3. Distances to the FM contours were determined based on the method of 47 CFR 73.313. Terrain data was derived from the N.G.D.C. 30 second computer database for each of the FM stations using radials evenly-spaced every 5 degrees of azimuth.

Under 73.3555(a)(1)(iii), in a market with 45 or more stations, a party may own, operate or control up to 8 commercial radio stations, not more than 5 of which are in the same service. Thus, the acquisition of the stations by SMG-

Tri-Cities, LLC will comply with the multiple ownership rules based on the interim analysis method.

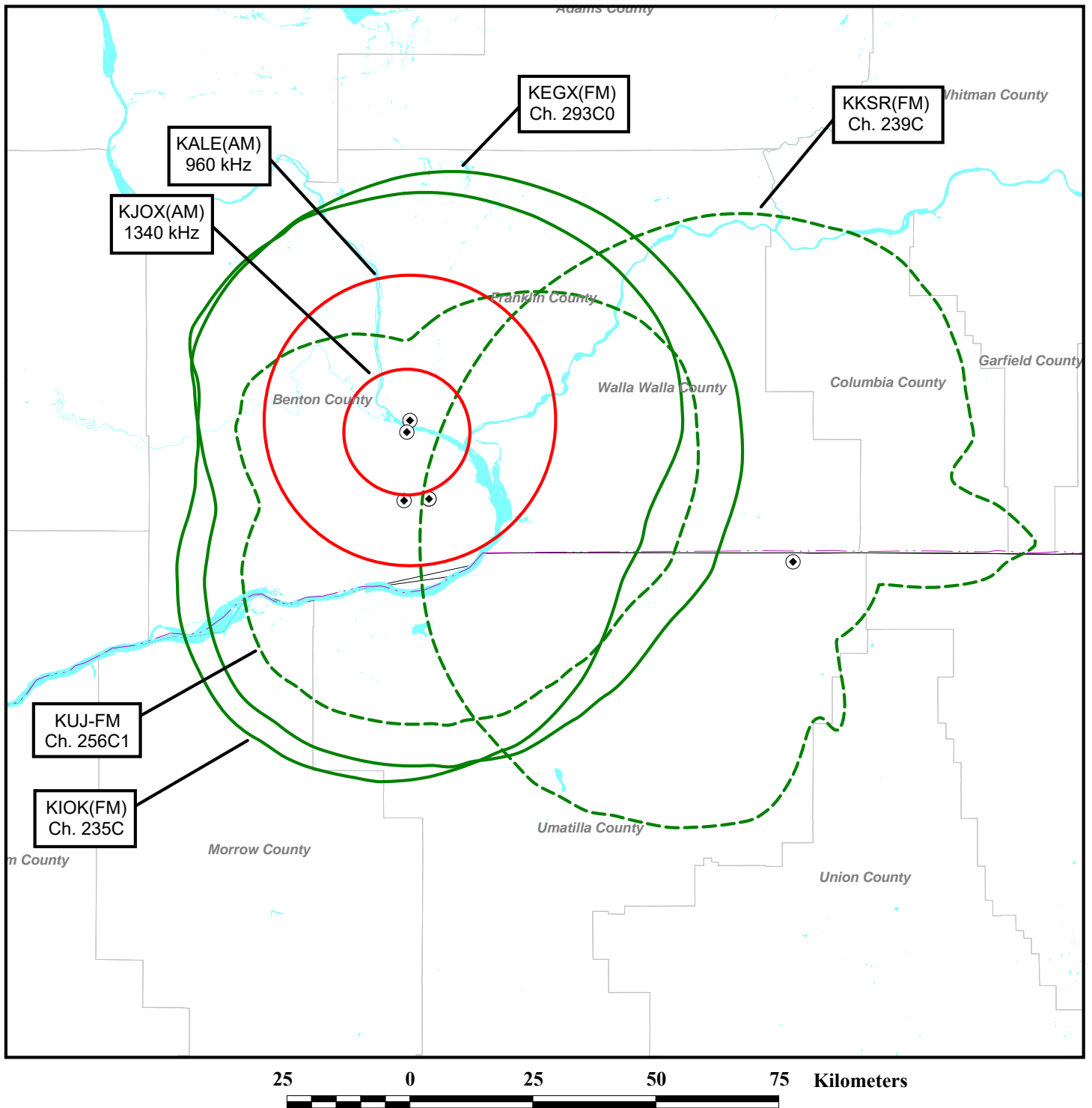
A handwritten signature in black ink, appearing to read "W. Jeffrey Reynolds". The signature is fluid and cursive, with the first name "W." being more distinct than the last name.

W. Jeffrey Reynolds

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Figure 1



PRINCIPAL COMMUNITY CONTOURS OF SUBJECT STATIONS

du Treil, Lundin & Rackley, Inc. Sarasota, Florida 34237

TECHNICAL STATEMENT
RADIO MULTIPLE OWNERSHIP ANALYSIS

Tabulation of Other Stations Defined in Radio Markets

Market 1

| <u>FM Stations</u> | | | |
|--------------------|-----------------------------|--------------|------------------|
| <u>Call Sign</u> | <u>Community of License</u> | <u>State</u> | <u>Freq./Ch.</u> |
| KHSS | ATHENA | OR | 264 C2 |
| KQFM | HERMISTON | OR | 229 A |
| KZLY | IONE | OR | 258 C3 |
| KZTB | MILTON-FREEWATER | OR | 250 C1 |
| KLRF | MILTON-FREEWATER | OR | 203 C2 |
| KWHT | PENDLETON | OR | 278 C1 |
| KRBM | PENDLETON | OR | 215 C2 |
| KWVN-FM | PENDLETON | OR | 299 C1 |
| KUMA-FM | PILOT ROCK | OR | 221 C3 |
| KLKY | STANFIELD | OR | 241 C2 |
| KZIU-FM | WESTON | OR | 270 C2 |
| KOLW | BASIN CITY | WA | 248 C1 |
| KMMG | BENTON CITY | WA | 244 A |
| KQBC | BENTON CITY | WA | 213 A |
| KGTS | COLLEGE PLACE | WA | 217 C2 |
| KZHR | DAYTON | WA | 223 C1 |
| KARY-FM | GRANDVIEW | WA | 265 C2 |
| KBLD | KENNEWICK | WA | 219 C3 |
| KTCV | KENNEWICK | WA | 201 A |
| KONA-FM | KENNEWICK | WA | 287 C |
| KOLU | PASCO | WA | 211 C1 |
| KEYW | PASCO | WA | 252 C1 |
| KGDN | PASCO | WA | 267 C3 |
| KQFO | PASCO | WA | 261 C2 |
| KZXR-FM | PROSSER | WA | 269 C3 |
| KORD-FM | RICHLAND | WA | 274 C0 |
| KFAE-FM | RICHLAND | WA | 206 C |
| KRCW | ROYAL CITY | WA | 242 C2 |
| KWCW | WALLA WALLA | WA | 213 A |
| KRKL | WALLA WALLA | WA | 227 C1 |
| KXRX | WALLA WALLA | WA | 246 C0 |
| <u>KWWS</u> | <u>WALLA WALLA</u> | <u>WA</u> | <u>209 C1</u> |
| Total | 32 FM Stations | | |

| <u>AM Stations</u> | | | |
|--------------------|-----------------------------|--------------|------------------|
| <u>Call Sign</u> | <u>Community of License</u> | <u>State</u> | <u>Freq./Ch.</u> |
| KVAN | BURBANK | WA | 1560 |
| KONA | KENNEWICK-RICHLAND-P | WA | 610 |
| KFLD | PASCO | WA | 870 |
| KZXR | PROSSER | WA | 1310 |
| KUJ | WALLA WALLA | WA | 1420 |
| KGDC | WALLA WALLA | WA | 1320 |
| KTEL | WALLA WALLA | WA | 1490 |
| KOHU | HERMISTON | OR | 1360 |
| KUMA | PENDLETON | OR | 1290 |
| <u>KTIX</u> | <u>PENDLETON</u> | <u>OR</u> | <u>1240</u> |
| Total | 10 AM Stations | | |