

FACILITIES MODIFICATION AGREEMENT

This Agreement is made and entered into this 18th day of April, 2003, between the KAGM Joint Venture a Colorado Joint Venture ("**Proponent**"), and Regent Broadcasting of Ft. Collins, Inc., a Delaware corporation ("**Licensee**"), licensee of Radio Station KTRR-FM, licensed to Loveland, Colorado ("**Station KTRR**").

WHEREAS, Proponent desires to invoke the processes of the Federal Communications Commission ("FCC") to modify the facilities of radio station KAGM-FM (the "**KAGM JV Proposal**"); and

WHEREAS, Licensee desires to accommodate the KAGM JV Proposal by consenting to and then implementing according to the terms hereunder the following changes relating to Station KTRR: Station KTRR's transmitter reference site will be changed to 40-34-33 N Latitude 104-52-22 W Longitude (the "**KTRR Change**"); and

WHEREAS, Licensee is the tenant under a long-term tower lease with Onyx Broadcasting, Inc. ("**Onyx**") at its current transmitter site (the "**KTRR Tower Lease**"), and Proponent is willing to assume Licensee's obligations thereunder as a further incentive for Licensee to enter into this Agreement; and

WHEREAS, together the KAGM JV Proposal and the KTRR Change will serve the public interest by providing better service to the public;

NOW THEREFORE, for good and valuable consideration exchanged by the parties and the mutual covenants and agreements set forth herein, Proponent and Licensee hereby agree as follows:

1. Proponent shall prepare the necessary FCC filings for authorization to implement the KAGM JV Proposal (the "**Implementation Filings**"). Proponent in its sole discretion will decide when and if to file the Implementation Filings, and Proponent reserves the right, in its sole discretion, to withdraw or abandon the Implementation Filings once filed, *provided, however*, that Licensee may terminate this Agreement by written notice to Proponent should (a) Proponent fail to file the Implementation Filings by May 15, 2003 (b) Proponent withdraw or abandon the Implementation Filings and not refile such filings for FCC review within six months after such withdrawal or abandonment, (c) should the FCC Grant (as defined below) not be obtained by December 31, 2004 unless good faith appeals are being pursued by Proponent in which event Licensee's right to terminate shall be tolled, or (d) should the FCC Grant be obtained and Proponent fail to deliver the KTRR Relocation Notice (as defined below) within 60 days of the FCC Grant's becoming final. Proponent's obligations under Sections 4(c) and 5 hereof are conditioned upon (a) the grant by the FCC of the Implementation Filings that enables the filing of a construction permit application or applications to effectuate the KAGM JV Proposal, that requires KTRR to change transmitter reference site, and that is not subject to conditions or changes, unless such conditions or changes are accepted by Proponent and Licensee, each in its sole discretion (the "**FCC Grant**"); and (b) the FCC Grant's becoming final (that is, no longer subject to further administrative or judicial review under applicable law), unless finality is waived by Proponent at its sole discretion.

2. (a) When and if requested by Proponent, Licensee shall execute for submission to the FCC its written consent to the KTRR Change in the form attached hereto as Exhibit A;

(b) Promptly following the finality of the FCC Grant (or the issuance of the FCC Grant if Proponent waives finality), Licensee shall file with the FCC a construction permit application for the KTRR Change which specifies facilities consistent with the KAGM JV Proposal (the "**KTRR Permit Application**"). The construction permit for the KTRR Change is referred to herein as the "**KTRR Change Permit**";

(c) Licensee shall be under no obligation to construct facilities pursuant to the KTRR Change Permit, and Proponent shall be under no obligation to make any payments to Licensee under Sections 4(c) and 5 hereunder, unless and until Proponent gives Licensee written notice to commence construction (the "**KTRR Relocation Notice**"). Moreover, Licensee shall be under no obligation to construct facilities pursuant to the KTRR Change Permit until Proponent makes the payment required in Section 5 and gives Licensee the KAGM Security Interest referred to in Section 6 below. Following receipt of the KTRR Relocation Notice and the KAGM Security Interest, Licensee shall diligently undertake construction and initiation of operations under the KTRR Change Permit, and shall use its commercially reasonable best efforts to complete such construction and initiation of operations no later than six (6) months from the date of the KTRR Relocation Notice (subject to reasonable weather-related delays).

(d) Licensee shall electronically file with the FCC a license-to-cover application on FCC Form 302 (the "**KTRR License Application**") no later than 10 days after initiation of operations pursuant to the KTRR Change Permit (the date of such electronic filing is referred to herein as the "**KTRR Activation Date**").

3. (a) Notwithstanding anything to the contrary contained in this agreement or in any present or future FCC filings, any application filed by Proponent for KAGM, and any facilities constructed by Proponent for KAGM, shall provide protection to KTRR, as required by 47 CFR 73.207 and 47 CFR 73.215, consistent with the facilities specified in the pending FCC Form 301 application filed as BPH-20010606AAS (the "**KTRR Minor Mod**").

(b) Licensee acknowledges that Proponent's application for KAGM, File No. BPH-20020611AAM (the "**KAGM Minor Mod**"), has been dismissed by the FCC, and that it would be in both parties' interests to refile the KAGM Minor Mod. When and if requested by Proponent, Licensee will file with the FCC an application consistent in all respects with the KTRR Minor Mod except that it shall refer to, and be simultaneously filed with, a mutually contingent application for KAGM on Form 301 under Section 73.3517(e) of the Commission's Rules. Proponent shall prepare the applications at its sole cost and expense and pay all filing fees. Proponent and Licensee shall diligently prosecute their respective contingent applications and timely construct the facilities authorized thereunder if granted.

4. Proponent shall pay to Licensee as reimbursement for implementation of the KTRR Change according to the terms hereunder the amount of payable as follows: (a) a non-refundable payment of

no later than five (5) business days after the date of this Agreement; (b) a non-refundable payment of _____ no later than five (5) business days after the earlier of (i) the date that Proponent executes a binding agreement for the sale of substantially all of the assets of KAGM-FM to a third party, or a binding agreement for any merger or other disposition involving the transfer of the FCC licenses related to KAGM-FM, or (ii) the KTRR Activation Date; and (c) _____ payable no later than five (5) business days after KTRR Activation Date.

5. In addition to the payments set forth in Section 4 hereof, Proponent shall pay Licensee _____ in immediately available funds within three (3) business days of delivery of the KTRR Relocation Notice to cover Licensee's costs and expenses of the relocation and construction of KTRR.

6. As security for its payment obligations under Sections 4(b), 4(c) and 5 hereunder and its indemnification obligations under Section 7, Proponent shall grant Licensee a first priority security interest in the proceeds of the sale of KAGM-FM pursuant to a Security Agreement in the form attached hereto as Exhibit B (the "*KAGM Security Interest*"). Notwithstanding anything else in this Agreement to the contrary, Licensee shall have no obligation to construct facilities for KTRR pursuant to this Agreement unless and until Proponent has granted Licensee the KAGM Security Interest.

7. Proponent shall indemnify and hold harmless Licensee for any and all leasehold obligations to Onyx under the KTRR Tower Lease arising from and after the KTRR Activation Date, whether by assignment, purchase, or other means in Proponent's sole discretion.

8. Each party agrees that it will interpose no objection to the filings (including, without limitation, the Implementation Filings and amendments thereto and applications for construction permits and licenses) of the other party to change channel, class, equipment, antenna location and/or community of license consistent with the KAGM JV Proposal and the KTRR Change. Each party shall cooperate with the requests of the other party to coordinate the submission of applications or related filings with the FCC and shall take no action inconsistent with the Implementation Filings, the KAGM JV Proposal, or the KTRR Change. Licensee shall not enter into negotiations nor enter into any agreement with any third party concerning the KTRR Change or similar modification to the facilities of the Station, other than those agreements with third party contractors necessary to accomplish the engineering and construction work to effectuate the KTRR Change.

9. Proponent shall be entitled to assign its interest in this Agreement to any person or entity, provided that Proponent shall remain liable for its obligations hereunder. Licensee agrees that it will not assign or transfer its license for Station KTRR prior to the KTRR Activation Date, unless it causes the assignee or transferee thereof to assume Licensee's obligations under this Agreement in a manner reasonably satisfactory to Proponent. Subject to the foregoing, this Agreement shall inure to the benefit of, and be binding upon, the successors and permitted assigns of the parties hereto.

10. Notwithstanding anything to the contrary in this Agreement, neither party shall take any action, or be required to take any action not in accordance with FCC rules and

regulations, and each party hereto shall use its commercially reasonable best efforts to accomplish their mutual intent set forth in this Agreement in a manner consistent with such rules and regulations. To the extent that the consent of the FCC is required as to any aspect of the transactions or other covenants contemplated by this Agreement, such consent is a condition to each party's obligation to perform as to such aspect or covenant. If any term or provision of this Agreement is determined to be void, unenforceable or contrary to law, the remainder of this Agreement shall continue in full force and effect provided that such continuation would not materially diminish the benefits of this Agreement for either party.

11. This Agreement sets forth the entire understanding of the parties hereto at the time of execution and delivery hereof with respect to the subject matter hereof and may not be amended except by written amendment signed by both parties. All prior agreements between the parties with respect to the subject matter hereof shall be of no further force or effect. The undersigned each represent and warrant that each has the requisite authority to bind their respective parties to the terms and obligations of this Agreement.

12. All notices, demands and other communications authorized or required by this Agreement shall be in writing, shall be delivered by personal delivery, by United States certified mail-return receipt requested (postage prepaid), or by overnight delivery service (charges prepaid) and shall be delivered to each party at the following addresses (or at such other address as any party may designate in writing to the other parties):

If to Proponent:

Edward F. Seeger
1311 Chuck Dawley Boulevard, Suite 202
Mt. Pleasant, South Carolina 29464

with a copy, which shall not constitute notice to Proponent, to:

Mark N. Lipp, Esq.
Shook Hardy & Bacon, LLP
Suite 800
600 14th Street, N.W.
Washington, DC 20005

If to Licensee:

Regent Broadcasting of Ft. Collins, Inc.
c/o Regent Communications, Inc.
100 East RiverCenter Boulevard
Covington, Kentucky 41011
Attention: Terry Jacobs

with a copy, which shall not constitute notice to Licensee, to:

John Kropp, Esq.
Graydon, Head & Ritchie, LLP
1900 Fifth Third Center
511 Walnut Street
Cincinnati, Ohio 45202

13. If either party breaches its obligations under this Agreement, the other party shall each have the right to seek injunctive relief and/or specific performance. The breaching party agrees to waive any defense as to the adequacy of the other party's remedies at law and to interpose no opposition, legal or otherwise, to the propriety of injunctive relief or specific performance as a remedy.

14. This agreement may be signed in counterparts with the same effect as if the signature on each counterpart were on the same instrument.

15. Except to the extent required by law, neither Licensee nor Proponent shall disclose the existence of this Agreement or make known any of its terms to any person other than its attorneys, engineers, and representatives to whom disclosure is necessary to effectuate the purposes of this Agreement and who are similarly bound to hold the existence of this Agreement and its terms in confidence.

16. This Agreement shall be governed and construed according to the substantive law of the State of Colorado without regard to choice of laws principles.

signatures on following page

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

Proponent:

KAGM Joint Venture

By:

TRANS-ROCKIES RADIO, LLC

By: *Edward F. Seeger*

Name: EDWARD F. SEEGER

Title: MANAGING MEMBER

TRC-COLORADO, LLC

By: *Arthur S. Barnson*

Name: ARTHUR S. BARNSON

Title: MANAGING MEMBER

Licensor:

Regent Broadcasting of N. Collins, Inc.

By: *Terry S. Jacobs*

Name: TERRY S. JACOBS

Title: CH. & CEO