

Salisbury, Maryland Combination

Frequency proposes to acquire the licenses of the following eight radio stations that are licensed to communities located within the Salisbury-Ocean City, Maryland Arbitron Metro market and are listed by Arbitron as "home" to that market:¹

<i>Station</i>	<i>Community</i>	<i>Current Licensee</i>
WDKZ(FM)	Salisbury, Maryland	Capstar
WLBW(FM)	Fenwick Island, Delaware	Capstar
WJDY(AM)	Salisbury, Maryland	Capstar
WOSC(FM)	Bethany Beach, Delaware	Capstar
WQHQ(FM)	Ocean City-Salisbury, Maryland	Capstar
WSBY-FM	Salisbury, Maryland	Capstar
WTGM(AM)	Salisbury, Maryland	Capstar
WWFG(FM)	Ocean City, Maryland	Capstar

The principal community contours of these eight stations do not overlap those of any other station not listed above in which Frequency holds or proposes to hold and attributable interest. Capstar's current interests in the eight stations listed above is a "grandfathered" combination, as it complies with the multiple ownership rules under the contour overlap methodology and pre-dates the effective date of the Arbitron Metro market methodology adopted by the Commission in 2003.² Frequency proposes to assign the license of at least two of the stations listed above to a divestiture trust prior to or contemporaneously with the closing of the merger. Upon the completion of these transactions, Frequency's attributable interests in the Salisbury-Ocean City, Maryland Arbitron metro market will comply with the Commission's local radio ownership rule under the Arbitron Markets methodology.

Arbitron Markets Methodology: All eight stations identified above are listed by Arbitron as "home" to the Salisbury-Ocean City, Maryland radio market and are licensed to communities located within the geographic boundaries of this market. No other stations in which Frequency holds or proposes to hold an attributable interest are "home" to or located within this market. The BIA Media Access Pro Database identifies forty-two full-power commercial and non-commercial stations as "home" to or licensed within

¹ See BIA Financial Network, "Salisbury-Ocean City, MD Market Overview," and "FCC Geographic Market Definition for Salisbury-Ocean City, MD" available at BIA Media Access Pro Database.

² See 2002 Biennial Regulatory Review – Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996, *Report & Order & Notice of Proposed Rulemaking*, 18 FCC Rcd 13,620, ¶ 484 (2003) ("Biennial Review").

the Salisbury-Ocean City market.³ Frequency may hold attributable interests in only four of the six FM stations listed above in this market, and accordingly, Frequency proposes to assign the license of one of the stations listed above to a properly insulated divestiture trust prior to or contemporaneously with the closing of the transactions contemplated by the instant application. After assignment to the trust, Frequency's interests in the Salisbury-Ocean City market will comply with the local radio ownership rule under the Arbitron Metro Market methodology.

³ See BIA Financial Network, "FCC Geographic Market Definition for Salisbury-Ocean City, MD," *available at* BIA Media Access Pro Database.

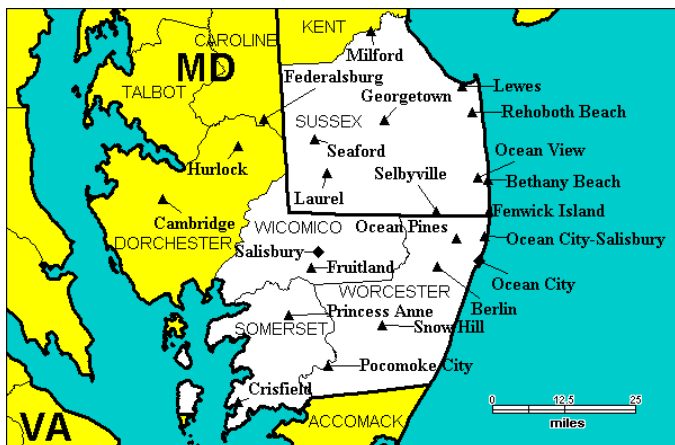
ATTACHMENT 1

Salisbury, Maryland Combination

Printouts from BIA Media Access Pro Database

Revenue Rank: 127

BIA
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Somerset, MD	26.3
Wicomico, MD	90.5
Worcester, MD	49.7
Sussex, DE	177.9
	<hr/>
	344.4

(all figures in 000's, except percentages and ratios)

ESTIMATED GROSS REVENUES ★★★	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>Δ 01 - 06</u>
	\$14,500	\$15,800	\$16,100	\$16,800	\$16,100	\$17,300	3.5%
	<u>Δ 05 - 06</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>Δ 06 - 11</u>
	7.5%	\$17,800	\$18,300	\$18,800	\$19,300	\$19,800	2.8%
	<u>2001</u>	<u>2006</u>	<u>2011</u>			<u>Est. Breakout</u>	
Revenue/Retail Sales	\$3.04/1,000	\$2.46/1,000	\$2.38/1,000			Local	80%
Revenue/Capita	\$45.67	\$50.23	\$53.25			National	20%

(000's, except Retail Sales and EBI in 000,000's)

	2001	2006	Growth Rate	2006	2011	Growth Rate
MSA Population	317.5	344.4	1.6%	344.4	371.8	1.5%
Households	122.8	137.4	2.3%	137.4	149.6	1.7%
Retail Sales	4,772.6	7,038.3	8.1%	7,038.3	8,326.2	3.4%
EBI	4,806.3	6,392.3	5.9%	6,392.3	7,738.4	3.9%

	Total	Under 12	12 - 17	18 - 24	25 - 34	35 - 44	45 - 54	Over 55
Men (000)	168.6	24.2	13.2	16.9	21.6	23.1	23.7	45.8
Women (000)	175.8	23.4	12.3	16.3	20.7	23.0	24.6	55.5
Total	344.4	47.5	25.5	33.2	42.4	46.1	48.4	101.3
Percentage	100.0%	13.8%	7.4%	9.6%	12.3%	13.4%	14.0%	29.4%
Per Capita	\$ 18,563		Median Household		\$ 37,585		Avg Household	\$ 46,524
Ethnic Population:	White	76.8%	Black	18.7%	Asian	1.1%	Hispanic	4.1%

<u>FM Classes</u>	<u>Class A</u>	<u>Class B</u>	<u>Class C</u>	<u>Viable Stations</u>	<u>All FMs</u>	<u>All AMs</u>	<u>Total</u>
# Stations	23	6		12	29	8	37
Tot 12+	35.5	31.0		55.2	66.5	4.8	71.3
Avg 12+	1.5	5.2		4.6	2.3	0.6	1.9
Tot LCS	49.8	43.5		77.4	93.3	6.7	100.0
Avg LCS	2.2	7.2		6.5	3.2	0.8	2.7



FCC Geographic Market Definition for Salisbury-Ocean City, MD

Call Letters	AM/ FM	Freq	Type Station	Format	Home Market	Market Designtn Date	Home Mkt Rank	Owner	City & State of License	County of License
WZEB	FM	101.7	C	AC	Salisbury-Ocean City, MD	07/02/2003	145	Great Scott Broadcasting Inc	Ocean View, DE	Sussex
WAFL	FM	97.7	C	AC	Salisbury-Ocean City, MD	07/02/2003	145	Delmarva Broadcasting Company	Milford, DE	Sussex
WTDK	FM	107.1	C	Oldies	Salisbury-Ocean City, MD	07/02/2003	145	MTS Broadcasting	Federalsburg, MD	Caroline
WGOP	AM	540	C	Nostalgia	Salisbury-Ocean City, MD	02/06/2004	145	Birach Broadcasting Corporation	Damascus, MD	Montgomery
WKHZ	AM	1590	C	CHR	Salisbury-Ocean City, MD	07/02/2003	145	Sajak Broadcasting Corporation	Ocean City, MD	Worcester
WGMD	FM	92.7	C	Nws/Tlk/Inf	Salisbury-Ocean City, MD	07/02/2003	145	Resort Broadcasting Co	Rehoboth Beach, DE	Sussex
WICO	AM	1320	C	Talk/News	Salisbury-Ocean City, MD	07/02/2003	145	Delmarva Broadcasting Company	Salisbury, MD	Wicomico
WICO	FM	97.5	C	Country	Salisbury-Ocean City, MD	07/02/2003	145	Delmarva Broadcasting Company	Salisbury, MD	Wicomico
WJDY	AM	1470	C	Nostalgia	Salisbury-Ocean City, MD	07/02/2003	145	p Clear Channel	Salisbury, MD	Wicomico
WJWL	AM	900	C	Spanish	Salisbury-Ocean City, MD	07/02/2003	145	Great Scott Broadcasting Inc	Georgetown, DE	Sussex
WOSC	FM	95.9	C	Rock	Salisbury-Ocean City, MD	07/02/2003	145	p Clear Channel	Bethany Beach, DE	Sussex
WKHI	FM	107.5	C	Jack	Salisbury-Ocean City, MD	07/02/2003	145	Great Scott Broadcasting Inc	Fruitland, MD	Wicomico
WDKZ	FM	105.5	C	CHR	Salisbury-Ocean City, MD	07/02/2003	145	p Clear Channel	Salisbury, MD	Wicomico
WOCQ	FM	103.9	C	HpHop/Rhy	Salisbury-Ocean City, MD	07/02/2003	145	Great Scott Broadcasting Inc	Berlin, MD	Worcester
WOLC	FM	102.5	C	Christian	Salisbury-Ocean City, MD	07/02/2003	145	Maranatha Inc	Princess Anne, MD	Somerset
WQHQ	FM	104.7	C	AC	Salisbury-Ocean City, MD	07/02/2003	145	p Clear Channel	Ocean City-Salisbury, MD	Worcester
WTGM	AM	960	C	Sprts/Talk	Salisbury-Ocean City, MD	07/02/2003	145	p Clear Channel	Salisbury, MD	Wicomico
WZBH	FM	93.5	C	Rock	Salisbury-Ocean City, MD	07/02/2003	145	Great Scott Broadcasting Inc	Millsboro, DE	Sussex
WJWK	AM	1280	C	Spanish	Salisbury-Ocean City, MD	07/02/2003	145	Great Scott Broadcasting Inc	Seaford, DE	Sussex
WGBG	FM	98.5	C	Clsc Hits	Salisbury-Ocean City, MD	07/02/2003	145	Great Scott Broadcasting Inc	Seaford, DE	Sussex
WWFG	FM	99.9	C	Country	Salisbury-Ocean City, MD	07/02/2003	145	p Clear Channel	Ocean City, MD	Worcester
WYUS	AM	930	C	Span/Varty	Salisbury-Ocean City, MD	07/02/2003	145	Delmarva Broadcasting Company	Milford, DE	Sussex
WNCL	FM	101.3	C	Oldies	Salisbury-Ocean City, MD	07/02/2003	145	Delmarva Broadcasting Company	Milford, DE	Sussex
WSBY	FM	98.9	C	Urban AC	Salisbury-Ocean City, MD	07/02/2003	145	p Clear Channel	Salisbury, MD	Wicomico
WXJN	FM	105.9	C	Country	Salisbury-Ocean City, MD	07/02/2003	145	Delmarva Broadcasting Company	Lewes, DE	Sussex
WKDB	FM	95.3	C	AC	Salisbury-Ocean City, MD	07/02/2003	145	Great Scott Broadcasting Inc	Laurel, DE	Sussex
WOCM	FM	98.1	C	AAA	Salisbury-Ocean City, MD	07/02/2003	145	Irie Radio Inc	Selbyville, DE	Sussex
WKHW	FM	106.5	C	Country	Salisbury-Ocean City, MD	07/02/2003	145	Great Scott Broadcasting Inc	Pocomoke City, MD	Worcester
WLBW	FM	92.1	C	Oldies	Salisbury-Ocean City, MD	07/02/2003	145	p Clear Channel	Fenwick Island, DE	Sussex
WQJZ	FM	97.1	C	Jazz	Salisbury-Ocean City, MD	07/02/2003	145	Delmarva Broadcasting Company	Ocean Pines, MD	Worcester
WRXS	FM	106.9	C	Altve/Rock	Salisbury-Ocean City, MD	07/02/2003	145	Atlantic Radio Broadcasting LLC	Ocean City, MD	Worcester
WAAI	FM	100.9	C	Country	Salisbury-Ocean City, MD	07/02/2003	145	MTS Broadcasting	Hurlock, MD	Dorchester
WBEY	FM	97.9	C	Country	Salisbury-Ocean City, MD	07/02/2003	145	Bay Broadcasting Inc	Crisfield, MD	Somerset
WJKI	FM	103.5	C	Clsc Hits	Salisbury-Ocean City, MD	07/02/2003	145	Great Scott Broadcasting Inc	Bethany Beach, DE	Sussex
WINX	FM	94.3	C	Country	Salisbury-Ocean City, MD	02/01/2005	145	CWA Broadcasting Inc	Cambridge, MD	Dorchester

"C" - Commercial Station; "NC" - Non Commercial Station

"p" indicates pending sale to owner listed



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Call Letters	AM/FM	Freq	Type Station	Format	Home Market	Market Designtn Date	Home Mkt Rank	Owner	City & State of License	County of License
WXMD	FM	92.5	C	Rock AC	Salisbury-Ocean City, MD	07/02/2003	145	Delmarva Broadcasting Company	Pocomoke City, MD	Worcester
WDIH	FM	90.3	NC	Gospel	Salisbury-Ocean City, MD	07/02/2003	145	Salisbury Educational Broadcasting Foundation	Salisbury, MD	Wicomico
WESM	FM	91.3	NC	Variety	Salisbury-Ocean City, MD	07/02/2003	145	University of Maryland	Princess Anne, MD	Somerset
WSCL	FM	89.5	NC	Classical	Salisbury-Ocean City, MD	07/02/2003	145	Salisbury State University Foundation	Salisbury, MD	Wicomico
WSDL	FM	90.7	NC	News/Talk	Salisbury-Ocean City, MD	07/02/2003	145	Salisbury State University Foundation	Ocean City, MD	Worcester
WQMR	FM	101.1	C	Talk	Salisbury-Ocean City, MD	07/02/2003	145	Maryland Star Broadcasting LLC	Snow Hill, MD	Worcester
WXSU	FM	96.3	NC	CP - NOA	Salisbury-Ocean City, MD		145	Salisbury University	Salisbury, MD	Wicomico
WRBG	FM	107.9	NC	CP - NOA	Salisbury-Ocean City, MD		145	Rhythm and Blues Group Harmony Association	Millsboro, DE	Sussex
WEES	FM	107.9	NC	Variety	Salisbury-Ocean City, MD		145	Edinboro Early School, Inc.	Ocean City, MD	Worcester

Number of Stations in Geographic Market **44**

Previous Stations in Geographic Market