CONTINGENT APPLICATION AGREEMENT

THIS CONTINGENT APPLICATION AGREEMENT (this "*Agreement*") is made and entered into as of December 13, 2007 ("*Effective Date*"), by and between First Broadcasting Capital Partners, LLC ("*First Broadcasting*") and Saga Broadcasting, LLC ("*Saga*").

RECITALS

A. On April 26, 2004, First Broadcasting Investment Partners, LLC ("FBIP"), Saga and Mid-Columbia Broadcasting, Inc. ("Mid-Columbia"), withdrew their amended proposal in MB Docket No. 02-136 before the Federal Communications Commission ("*FCC*") requesting a Channel 283C2 allotment at Kent, Washington, and sought reinstatement of First Broadcasting's original proposal in that proceeding requesting a Channel 283C3 allotment at Covington, Washington (the "*Covington Proposal*"). By Report and Order, *Arlington, Oregon, et al.*, DA 04-2054, released July 20, 2004, the FCC Media Bureau granted the Covington Proposal, and on September 20, 2005, the FCC Media Bureau granted Mid-Columbia's application (File No. BPH-20040809ABL) for a construction permit to relocate Station KMCQ ("*KMCQ*" or the "*Station*") to Covington. The Covington Proposal has now become a Final Order (the "Rule Making Order").

B. In order for Station to provide greater service to the public and to offer improved signal quality to its listeners, First Broadcasting wishes to operate KMCQ on Channel 283C2. Without the cooperation of Saga, KMCQ could not upgrade its facilities to Class C2, and Station would remain a Class C3 station.

C. The parties entered into that certain Contingent Application Agreement dated as of May 16, 2007 ("*First Contingent Application Agreement*") to facilitate the upgrade of KMCQ. The parties desire to terminate the First Contingent Application Agreement and replace it in its entirety with this Agreement.

D. Pursuant to the First Contingent Application Agreement, on July 3, 2007, (i) Saga filed a FCC Form 301 application seeking FCC consent to a change of channel for Station KAFE from Channel 282C to 281C, with a directional antenna (File No. BPH-20070703AAY (the "*KAFE Application*") and (ii) First Broadcasting filed a FCC Form 301 application seeking FCC consent for upgraded facilities on Channel 283C2 for Station KMCQ (FCC File No. BMPH-200703AAT) (the "*KMCQ Application*" and, together with the KAFE Application, the "*Contingent Applications*"). Each of the Contingent Applications is mutually contingent upon grant by the FCC of the other of the Contingent Applications. The Contingent Applications remain pending before the FCC.

E. Grant of the Contingent Applications would be in the public interest for a great many reasons, including the provision of service to an increased population.

F. On June 1, 2007, the Government of Canada, acting through Industry Canada, proposed to the FCC to amend Table A of the 1997 Canadian – USA FM Broadcasting Agreement ("*Canadian Coordination Agreement*") to add Channel 281C ("*Canadian Proposal*") for Vancouver, British Columbia. On June 28, 2007, the Government of the United States, acting through the FCC, notified Industry Canada that it did not object to the Canadian Proposal.

G. The KAFE Application proposes a channel change that conflicts with the Canadian Proposal. Therefore, the KAFE Application cannot be granted by the FCC unless Channel 281C is deleted for Vancouver, British Columbia from the Canadian Coordination Agreement at the request of the FCC and with the consent of Industry Canada.

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

STATEMENT OF AGREEMENT

1. Contingent Applications. Saga shall not be required to make any changes to the facilities of KAFE other than as explicitly set forth in the KAFE Application, and First Broadcasting shall not be required to make any payment other than as explicitly set forth herein.

2. Saga Obligations. Saga agrees that (a) it shall cooperate with First Broadcasting in connection with the Contingent Applications and except as provided in Section 3(e) hereof, shall take no action to interfere with, delay, or prevent the final grant of such applications (the "*Contingent Application Grants*"); (b) it shall provide any additional information regarding such applications as may be reasonably requested by the FCC; (c) once the Contingent Application Grants become Final Orders and provided that Saga has received confirmation that First Broadcasting has delivered the DA Payment to the Joint Escrow Agents in accordance with Section 3(e), Saga shall diligently undertake construction and initiation of operations as authorized for KAFE under the Contingent Application Grants, and shall use its best efforts to complete such construction and initiation of operations no later than four (4) months from the date the Contingent Application Grants become Final Orders; and (e) with respect to the directional antenna for KAFE specified in the Contingent Application Grants, Saga shall file with the FCC a license to cover application ("the *KAFE License Application*") within 10 days of the completion of construction of the KAFE facilities and request program test authority in the KAFE License Application. For the purposes of this Agreement, a *Final Order* shall mean an action of the FCC that is no longer subject to reconsideration, review, or appeal under applicable law before the FCC (including on the FCC's own motion) or before any court and as to which no condition is specified which could adversely affect the grant of the KMCQ Application.

3. Payment.

(a) First Broadcasting shall pay to Saga, as consideration for the filing and implementation of the KAFE Application and KAFE License Application according to the terms set forth in Section 2 of this Agreement, the aggregate amount of [redacted] (the "*DA Payment*").

(b) First Broadcasting shall promptly reimburse Saga for its actual costs of purchasing and installing the antenna and related equipment and reasonable expenses related thereto (the "*DA Expenses*") no later than thirty (30) days following Saga's delivery to First Broadcasting of third-party invoices evidencing such costs and expenses. The payments by First Broadcasting to Saga, including the Additional Consideration set forth below, are to cover the expected costs of the implementation of the KAFE Application, including but not limited to engineering and legal fees, necessary equipment purchases, and promotional costs.

(c) If at any time within forty-eight (48) months of KAFE's commencement of broadcasting using a directional antenna, the FCC grants Saga a construction permit to deploy facilities to operate KAFE without a directional antenna, then, upon grant by the FCC of a license to cover such construction permit, First Broadcasting shall be entitled to a reimbursement from Saga of [redacted] provided that, the DA Payment has been paid to Saga, but First Broadcasting shall not be entitled to any reimbursement of the DA Expenses.

(d) First Broadcasting will take all reasonable actions to cause the Government of Canada to delete or modify any and all Canadian FM channels that would require the installation of a directional antenna by KAFE, and Saga will support all such actions. To the extent that the Government of Canada deletes or modifies any and all Canadian FM channels requiring the use of a directional antenna by KAFE, Saga promptly will make all filings with the FCC necessary to obtain, and will use commercially reasonable efforts to promptly obtain, a modification of the KAFE FCC license such that KAFE is no longer required to operate with a directional antenna.

(e) On the date that is five (5) business days following the date on which Industry Canada and the FCC, acting on behalf of their respective governments, agree through the exchange of correspondence to amend Table A of the Canadian Coordination Agreement to delete Channel 281C for Vancouver, British Columbia, First Broadcasting will deliver by wire transfer of immediately available funds the DA Payment to Gary S. Smithwick, Esq., and Phil Marchesiello, Esq., as Joint Escrow Agents; said funds to be held in an Escrow Account pursuant to the Escrow Agreement attached hereto as Exhibit A which will be executed by all parties named thereon on the date the DA Payment is deposited in escrow. Upon receipt thereof, First Broadcasting will provide Saga's counsel by facsimile to 202-363-4266 and by electronic mail to gsmithwick@fccworld.com copies of all correspondence between First Broadcasting, its attorneys and consultants on the one hand and the Government of Canada on the other hand. Failure by First Broadcasting timely to deliver the DA Payment to the Joint Escrow Agents shall create in Saga the right to unilaterally dismiss the KAFE Application, which, First Broadcasting understands, will result in dismissal of the KMCQ Application. Saga understands that the pending resolution of certain environmental matters will require First Broadcasting to respond negatively to FCC Form 301, Section III-B, Question 17 (environmental). This question was erroneously answered in the affirmative in the KMCQ Application and must be amended to respond negatively within one day following execution of this Agreement, or Saga shall have the right to dismiss the KAFE Application. First Broadcasting will not amend its application to change the response to Question 17 from "no" to "yes" until First Broadcasting has delivered the DA Payment to the Joint Escrow Agents. **Should the FCC grant the Contingent Applications before the DA Payment has been delivered to the Joint Escrow Agents ("Premature Grant"), First Broadcasting hereby irrevocably appoints Saga its attorney-in-fact solely for the purpose of seeking reconsideration of the Premature Grants and to surrender to the FCC the construction permit for KMCQ and to surrender the construction permit for KAFE granted as a result of the Premature Grants.** First Broadcasting will take no action to oppose Saga's efforts to return the parties to the *status quo ante*. Moreover, First Broadcasting will reimburse Saga for Saga's costs incurred in enforcing this Section 3(e). Notwithstanding the foregoing, in the event of Premature Grants, First Broadcasting's delivery of the DA Payment to Joint Escrow Agents within 24 hours of public notice of the Premature Grants shall nullify Saga's right to surrender the construction permits for KMCQ and KAFE and seek reconsideration of the Premature Grants.

(f) The Joint Escrow Agents will deliver to Saga the DA Payment no later than five (5) business days after the grant of the KAFE License Application becomes a Final Order.

(g) At the time the Joint Escrow Agents make the DA Payment to Saga in accordance with Section 3(f), they shall simultaneously return any interest held in escrow to First Broadcasting. If the Contingent Applications are dismissed or denied and such dismissal or denial becomes a Final Order, then the Joint Escrow Agents shall immediately deliver all funds held in escrow to First Broadcasting and this Agreement shall terminate in accordance with Section 9.

4. Additional consideration. Subject to the terms of Section 6 below, and in addition to the consideration described in Section 3 above, if the aggregate purchase price (the "*Purchase Price*") First Broadcasting receives in connection with any sale, merger or other transfer, whether by exchange, conveyance or other disposition of substantially all of the assets used or useful in the operation of the Station or of a majority of the membership interests or capital stock of the licensee of the Station (or consideration received as a result of a time brokerage arrangement resulting in the brokerage of substantially all the broadcast time on Station), as the case may be, whether in a single transaction or a series of related transactions (a "*Sale*"), is in excess of [redacted] then First Broadcasting shall pay Saga on the closing of such Sale, an amount in cash computed as follows (the "Additional Consideration"):

(a) If the Purchase Price is greater than [redacted] and less than or equal to [redacted] then the Additional Consideration shall be [redacted] of the amount by which the Purchase Price exceeds [redacted]

(b) If the Purchase Price is greater than [redacted] and less than or equal to [redacted] then the Additional Consideration shall be [redacted] plus [redacted] of the amount by which the Purchase Price exceeds [redacted],

(c) If the Purchase Price is greater than [redacted] then the Additional Consideration shall be [redacted] plus [redacted] of the amount by which the Purchase Price exceeds [redacted]

First Broadcasting shall deliver the Additional Consideration to Saga by wire transfer of immediately available funds on the closing or consummation of the Sale, or receipt of the Purchase Price through a time brokerage arrangement, without regard to the form of payment of the Purchase Price paid to First Broadcasting. The obligation to pay the Additional Consideration and the other obligations set forth in this Section 4 shall expire five (5) years after the date on which the DA Payment is paid to Saga. This provision is enforceable by decree of specific performance and by injunction. First Broadcasting hereby consents to the filing by Saga of a civil action to restrain or enjoin any Sale by First Broadcasting, or any of its designees, successors or assigns, until First Broadcasting delivers to Saga executed documents, reasonably satisfactory to Saga, evidencing First Broadcasting's intent to pay the Additional Consideration to Saga concurrently with the consummation of such Sale.

5. No Objections. Except as provided in Section 3(e) hereof, each party agrees that it will interpose no objection to the filings (including, without limitation, the Contingent Applications and/or any applications for construction permits and licenses or other related applications or filings) of the other party to change channel, class, equipment, antenna location, and/or community of license consistent with the Covington Proposal and/or the Contingent Applications. Each party shall cooperate with the requests of the other party to coordinate the submission of applications or related filings related to the Contingent Applications with the FCC.

6. Assignment. Neither party shall have the right to assign its rights and obligations under this Agreement in whole or in part without the prior written consent of the other party except as provided in this Section 6 as follows: (a) Saga may assign its rights and obligations under this Agreement to a purchaser for value of KAFE (or an assignment or transfer permissible on FCC Form 316) concurrently with the assignment of the FCC licenses for KAFE to such party, and so long as any such purchaser assumes all rights, obligations and liabilities under this Agreement in writing signed by such purchaser; and (b) Saga may also assign its rights and obligations under this Agreement, without First Broadcasting's prior written consent, to an affiliate of Saga so long as any such affiliate assumes all rights and obligations under this Agreement in writing signed by such affiliate. The term "affiliate" as used in this Section 6 shall mean an entity that is in control of or under common control with Saga. In addition, First Broadcasting may assign its rights, obligations and liabilities under this Agreement so long as First Broadcasting delivers to Saga a written agreement, in a form reasonably satisfactory to Saga, between First Broadcasting and the assignee in which the assignee assumes all rights, obligations and liabilities of First Broadcasting under this Agreement. If any party to which First Broadcasting has assigned its rights consistent with this Agreement files an application with the FCC to become the licensee of the Station, First Broadcasting shall, within five (5) days following the filing with the FCC of any application for assignment of license or transfer of control of the license of the Station, notify Saga in writing of the filing of the application, and provide the FCC file number and a copy of the application.

7. Entire Agreement. This agreement constitutes the entire agreement between the parties 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 are superseded.

8. Miscellaneous. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to any conflict of laws provisions. If any provision of this Agreement is determined to be void, unenforceable or contrary to law, the remainder of the Agreement shall continue in full force and effect provided that such continuation would not materially diminish the benefits of this Agreement for either party. Except to the extent required by law and Section 1 of this Agreement, neither party 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. If either party breaches its obligations under this Agreement, the other party shall have the right to seek injunctive relief and/or specific performance, and 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. Each of the undersigned represents and warrants that he or

she has the requisite authority to bind his or her respective party to the terms of this Agreement. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

9. Termination.

(a) This Agreement, and the respective obligations of the parties hereunder, shall terminate in First Broadcasting's sole discretion upon written notice to Saga at any time before the Contingent Applications are granted if First Broadcasting elects not to proceed with the Contingent Applications or upon denial by Final Order of the KAFE License Application. If this Agreement is terminated as set forth in this paragraph, the DA Payment in escrow pursuant to Section 3(e), if any, shall be returned to First Broadcasting, along with any interest thereon (after deduction of Saga's cost and expenses associated with returning KAFE to operation on Channel 282C with a non-directional antenna ("*Current Parameters*"), if any) within 5 days of the later of (i) the restoration or continuation of licensed operation by KAFE with Current Parameters, which, in the case of restoration, Saga shall accomplish promptly, and (ii) any FCC orders, if any, necessary to authorize KAFE's return to Current Parameters having become a Final Order. First Broadcasting shall cooperate with Saga to file with the FCC any and all necessary applications to return KMCQ to Class C3 status.

(b) This Agreement may be terminated by Saga at its sole discretion at any time after the first anniversary of Effective Date unless prior to the first anniversary of the Effective Date (i) Industry Canada and the FCC agree through the exchange of correspondence to amend Table A of the Canadian Coordination Agreement to delete Channel 281C for Vancouver, British Columbia, or (ii) First Broadcasting delivers by wire transfer of immediately available funds the DA Payment to Gary S. Smithwick, Esq., and Phil Marchesiello, Esq., as Joint Escrow Agents; said funds to be held in an Escrow Account pursuant to the Escrow Agreement attached hereto as Exhibit A.

(c) If this Agreement is terminated as set forth in this Section 9, Saga may, at its sole option, enter into an agreement with any other third party to improve a broadcast station that would require Saga's cooperation in modifying the facilities of KAFE (such agreement being referred to as an "*Alternative Agreement*"). In the event that Saga enters into an Alternative Agreement pursuant to which Saga shall receive cash, equity or any other consideration whatsoever equal to or exceeding [redacted] of the termination of this Agreement pursuant to this Section 9 or for any other reason, Saga agrees to pay First Broadcasting the amount of [redacted] under such Alternative Agreement upon Saga's receipt of the total consideration [redacted] payable to Saga under the Alternative Agreement.

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

FIRST BROADCASTING CAPITAL PARTNERS, LLC

By:
Title: COO

SAGA BROADCASTING, LLC

By: ______________________
Title: ______________________

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

FIRST BROADCASTING CAPITAL PARTNERS, LLC

By: ____________________
Title: ____________________

SAGA BROADCASTING, LLC

By: Bruce W. Bush
Title: Treasurer