

Station KQST(FM), Sedona, Arizona, is in the Flagstaff-Prescott, Arizona Arbitron Metro Market (No. 154) (the "Market"). The Market consists of Yavapai and Coconino, Counties in Arizona. There are 39 full service radio stations licensed to communities in these two counties. Of these 39 stations, 10 are NCE and 29 are commercial (18 commercial FMs and 11 commercial AMs).

The Assignee, Yavapai Broadcasting Corporation ("YBC"), is 91% owned by W. Grant Hafley. YBC is the licensee of Station KYBC(AM) (Facility ID 35866), Cottonwood, KVNA(AM), Flagstaff (Facility ID 68567), KVRD-FM, Cottonwood (Facility ID 35865) and KZGL-FM, Cottonwood (Facility ID 51642), all in Arizona. YBC also has pending an application to acquire KLOD-FM, Cottonwood, Arizona (Facility ID 21693) (File No. 20040816ABW).

YBC is providing sales services on KQST and KLOD under Joint Sales Agreements ("JSAs") that were effective on August 16, 2004. However, at the time these JSAs were entered into, such agreements were considered to be non-attributable. In-market radio JSAs did not become attributable ownership interests until the Third Circuit entered an Order on September 3, 2004, that partially lifted its stay of the Commission's new radio ownership rules to, among other things, make radio JSAs attributable interests. Therefore, YBC respectfully submits that its sales services agreements for KQST and KLOD should not be considered as attributable interests for purposes of this application.

YBC also has an attributable interest in KVNA-FM, Flagstaff, Arizona (Facility ID 68566), under a Time Brokerage Agreement dated November 29, 2002, with the station licensee; however, under this agreement YBC has the right to terminate it on 90-days prior written notice. YBC sent its termination notice on July 27, 2004, and will have terminated its attributable interest in KVNA-FM prior to closing on the acquisition of either KQST or KLOD.

Mr. Hafley is also the licensee of KKLD-FM, Prescott Valley, Arizona (Facility ID 41462). The Commission has approved the sale of KKLD to 3-Point Media-Prescott Valley, LLC (File No. BAPH-20020322AAJ), but the parties have not yet closed on the transaction. Mr. Hafley will close on the sale of KKLD-FM prior to closing on the acquisition of either KQST or KLOD.

As noted, there are 39 full-service radio stations in the Market. Under the new radio multiple ownership rules, a party may have attributable interests in up to 7 full service radio stations, not more than 4 of which may be in the same service. Upon closing on the acquisitions of KQST and KLOD, YBC will have attributable interests in 4 FM stations (KQST, KLOD, KGZL and KVRD) and 2 AM stations (KYBC and KVNA), and will be in compliance with the new radio multiple ownership rules.