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MAY 9
FEDERAL
COMM
REFERENCE

~~By: [Redacted]~~

Premerger Notification Office

Washington, D.C. 20580

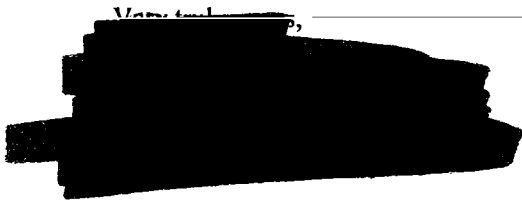
Re: Request for informal interpretation relating to joint venture proposed by [Redacted] and [Redacted]

Thank you for contacting me by telephone yesterday and responding to our request for an informal interpretation regarding the availability of an exemption from the filing requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976 pursuant to 16 C.F.R. §802.51 in connection with the proposed [Redacted] to be entered into by [Redacted] relating to the [Redacted]

Based upon our telephone conversation, it is my understanding the Premerger Notification Office agrees with our analysis as set forth in our letter of April 28, 1994 addressed to you that an exemption is available for [Redacted] and [Redacted] under 16 C.F.R. §802.51 in connection with the joint venture. It is my further understanding that it is the position of the Premerger Notification Office that the annual net sales test under 16 C.F.R. §802.51(b)(2) is not applicable to situations where less than substantially all of the assets of a company are being transferred or conveyed to a newly-formed joint venture by its joint venturers under section 801.40 of the rules.

Once again, thank you for your prompt response to our request for an informal interpretation.

*I concur, exception noted
added clarification
BS*



301.10
Licenses
intangible asse

OUTLINE OF TRANSACTIONS
BETWEEN
PARTY A AND PARTY B

Transactions

1. Time Brokerage or Local Marketing Agreement ("LMA")
2. Option to acquire all broadcasting assets of Party A

LMA

~~1. Term of LMA is 45 months (i.e. until renewal of Party A's FCC license) with an option on~~

~~2. Consistent with Party A's control for FCC purposes, Party A to broadcast programming directed by Party B at all times other than 8 hours per week (which would remain Party A's~~

3. All advertising revenues to belong to Party B

4. Payments to Party A:

- a. Approximately \$16,000,000 on signing
- b. Additional \$5,000,000 within 30 months after signing

including employees, programming, lease obligations, and equipment maintenance, in accordance with budget set by Party A

~~5. All payments to be made by Party A and Party B to collect accounts receivable existing at the signing date for the account of Party A~~

6. Party A to continue to have all responsibilities to maintain the FCC licenses and comply with FCC rules, including maintenance of broadcast standards and the FCC public file; Party A has the right to reject any programming provided by Party B that Party A believes is unsuitable or contrary to the public interest

7. Party A may terminate the LMA at any time by repayment of all amounts, other than the monthly or quarterly payments, theretofore paid by Party B

8. If FCC requires termination of the LMA, Party A has no obligation to repay any amounts theretofore paid by Party B

9. Party B may assign the LMA to any person qualified to be an FCC time broker

Option

1. Option is exercisable at any time within 2 years

a. \$4,000,000 on grant or signing

Party A covenants to maintain its assets in operating condition, free of liens, before exercise of the Option

4. Exercise of the Option to be in accordance with a negotiated Asset Purchase Agreement containing normal provisions, including requirement of prior FCC approval
5. Party B may assign the Option to any person qualified to be an FCC licensee

The parties meet the size of person test.

What is the value of the whole business today? \$25. to \$30. million.

Can the option be sold or assigned to a third party? yes, just like the LMA.

Is this an avoidance device under §01.90 of the rules? no.

Based upon your oral advice and our concurrence therewith, our client intends to proceed with the proposed transaction without first filing notification under the Act. Please contact me as soon as possible if you do not agree with this restatement of your advice.

Very truly yours,

[Redacted signature block]