

First Amendment to Application

The parties hereby supplement and amend the Comprehensive Exhibit included in Attachment 6 of the application as initially filed to provide the following additional information:

1. Attachment A to this First Amendment provides a summary and chart of the contractual relationships that, subject to Commission approval and the consummation of the transactions described in the Comprehensive Exhibit, would exist among the Northstar Media, LLC (“Northstar”), the transferee, Azteca International Corporation (“AIC”), Northstar’s proposed lender and the television network with which the broadcast licensees that Northstar proposes to acquire will be affiliated, and Stations Group LLC (“Stations Group”), with which Northstar and its proposed licensee subsidiaries will enter into a Services Agreement.
2. Attachment B to this First Amendment provides a showing to confirm that the loan arrangements between Northstar and AIC meet the criteria set forth in *Fox Television Stations*, 11 FCC Rcd 5714, 5719 (1995).
3. Attachment C to this First Amendment provides a supplementary chart summarizing the information included in Section I(B) of the Comprehensive Exhibit with regard to the ownership and control of AIC, the holder of an attributable interest in Northstar under the Commission’s “equity-debt-plus” attribution rule.
4. Attachment D to this First Amendment provides a copy of an amendment to the Restructure Coordination Agreement consisting of a revised version of the proposed Services Agreement among Northstar, Stations Group and the proposed licensee subsidiaries of Northstar.

ATTACHMENT A

Post-Consummation Relationships Between Northstar Media, LLC (“Northstar”) and Azteca International Corporation (“AIC”)

- 1. Loan Agreement between Northstar and AIC for a portion of the purchase price to be paid under the Purchase and Assignment Agreement, with the loan evidenced by a promissory note and secured by a security interest in Northstar’s assets and a pledge of Northstar’s equity by its parent entity.**

The loan will cover half of the purchase price payable under the Purchase and Assignment Agreement. The source of the remainder of the purchase price will be funds contributed by Jericho Partners LLC (“Jericho Partners”), parent entity of Northstar.

- 2. Put-and-Call Options with Northstar and its parent company Jericho Partners.**

At the suggestion of the FCC’s staff, the structure uses options rather than warrants. Moreover, the options are put-and-call options, a structure that the FCC’s staff has viewed as more conducive to preserving licensee control than simple call options. The options may not be exercised by AIC or its assignee unless the assignee is qualified to hold the licenses under the FCC’s rules and has obtained any and all necessary approvals of the Commission.

- 3. Station Affiliation Agreement under which the Licensee Subsidiaries acquired by Northstar affiliate with the Azteca America Television Network.**

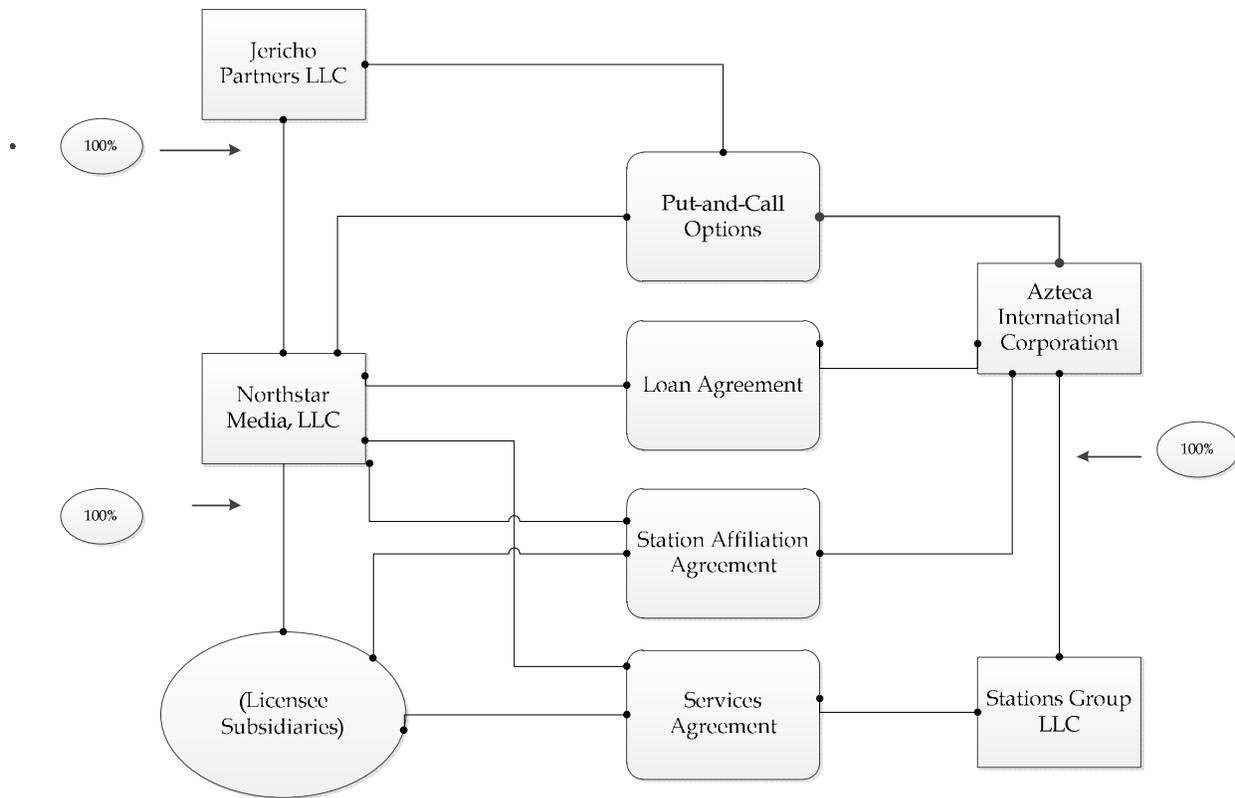
The Station Affiliation Agreement to be entered into by Northstar, its license subsidiaries, and AIC includes the provisions that the FCC generally requires to ensure the preservation of licensees’ programming discretion.

Under the Station Affiliation Agreement, Northstar, like UVM, will be an affiliate of the Azteca America Television Network and thereby preserve the viewer access to the Azteca America Television Network that is now provided by UVM.

- 4. Services Agreement by which Stations Group, a wholly owned subsidiary of AIC, will provide Northstar with sales, backroom services, and other routine or ministerial services typically included in services agreements. Stations Group also will provide Northstar with equipment and assets for use in operation of the stations post-consummation. Under the services agreement, Stations Group will have the right, subject to standard limitations to preserve licensee discretion, to program and sell for its own account up to 15% of the weekly operating hours of each of the stations.**

The Services Agreement provides for AIC to program up to a maximum of 15% of the weekly programming hours of each of the stations and, thus, this agreement would not constitute an attributable time brokerage agreement even for parties with co-located stations. Neither AIC nor Stations Group has any other attributable media interests in the proposed Northstar markets, but nevertheless will have an attributable interest in the stations under the Commission’s equity-debt-plus rules, because the loan extended to Northstar and described above is likely to amount to a greater-than-thirty-three-percent interest in the debt and equity of Northstar and, as the owner of the television network with which Northstar intends to affiliate, AIC would be a “major programming supplier” to Northstar.

The attached chart depicts these relationships in summary form.



ATTACHMENT B

Compliance with Section 310(b)(4)

As set forth in the applications, the direct and indirect ownership of Northstar's equity is entirely in the hands of U.S. citizens. Azteca International Corporation ("AIC"), a Delaware corporation ultimately owned by non-U.S. persons, will provide a loan to Northstar that, combined with other funds contributed to Northstar by its parent entity, will permit Northstar to purchase the equity of the UVM licensee subsidiaries. AIC, however, will not hold any direct or indirect equity interest in Northstar or its parent entity or in the UVM licensee subsidiaries that Northstar will acquire.

In *Fox Television Stations*, 11 FCC Rcd 5714, 5719 (1995) ("*Fox II*") the Commission determined that, in some extreme situations, it could reclassify an interest in the form of debt as an equity interest for purpose of assessing compliance with the foreign ownership restrictions of Section 310(b)(4). In *Fox II*, the Commission set forth criteria that the Commission would consider (but not treat as controlling for Communications Act purposes) in analyzing transactions to determine whether the Commission should consider reclassifying a debt relationship as equity ownership for purposes of compliance with the bench marks in Section 310(b)(4): (1) whether there is a written unconditional promise to repay the money on demand and to pay a fixed rate of interest; (2) whether there is subordination to or preference over any indebtedness of the company; (3) the company's debt-equity ratio; (4) whether the alleged debt is convertible to stock; and (5) the relationship between the holdings of stock in the corporation and holdings of the interest in question.¹

Since the *Fox II* decision, the Commission has not applied the *Fox II* criteria to reclassify broadcast debt as equity. The Commission recently applied these criteria in its letter decision in *Una Vez Mas Texas Holdings, LLC*, DA 10-1811 (Media Bureau, September 24, 2010) ("UVMTH"), to affirm that an interest in the form of debt was properly so classified and would not be considered as "ownership" for purposes of the Commission's Section 310(b) analysis. Application of those criteria as interpreted in UVMTH shows that AIC's proposed loan to Northstar constitutes *bona fide* debt.

(1) whether there is a written unconditional promise to repay the money on demand and to pay a fixed rate of interest:

The application includes a loan agreement, a related promissory note, and pledge agreements (collectively, the "Loan Documents"), evidencing a credit arrangement in common and customary form. The promissory note provides for the payment of a fixed rate of interest (4.5% per annum) and a maturity date of the thirteenth anniversary of the execution and delivery of the promissory note. (The loan becomes repayable at the earliest to occur of the maturity date, an event of default, or termination of the post-closing Station Affiliation Agreement.)

¹ The Commission has not required all five factors to be present in making its determination under *Fox II*. See *Stratos Global Corp.*, 22 FCC Rcd 21328, 21362 (2007).

(2) whether there is subordination to or preference over any indebtedness of the company:

Under the Loan Documents, AIC is treated as a first-lien, secured lender, a status that, in *UVMTH*, the Commission treated as determinative that the criterion had been met for treatment as *bona fide* debt.

(3) the company's debt-equity ratio:

Northstar's initial capitalization will consist of debt capital from the proposed loan to Northstar from AIC (\$350,000) and an equity contribution in cash of Jericho Partners (\$350,000), for a debt-to-equity ratio of 1:1. In *Fox II*, the only broadcast decision in which the Commission has reclassified debt as equity based on an excessively high level of debt in comparison to equity, the equity-to-debt ratio was 1:1400.

(4) whether the alleged debt is convertible to stock:

Here, the debt is not convertible to stock and there are no warrants for issuance of stock associated with the loan transaction.

The transaction does include put-and-call options between AIC and, respectively, Northstar and its parent limited liability company. Those options cannot be exercised if the effect would be to cause the benchmark in Section 310(b)(4) to be exceeded--a fact which the Commission in *UVMTH* treated as conclusive evidence that this criterion had been satisfied.

(5) the relationship between the holdings of stock in the corporation and holdings of the interest in question:

In *Fox II*, the Commission considered under this criterion the circumstances surrounding the non-U.S. investors' exchange of their stock representing almost the entire value of the licensee parent company for a debt interest 1400 times larger than the remaining equity value. The disparity between the debt amount and the equity indicated to the Commission that there was no expectation that the debt would be repaid. The Commission therefore concluded that this criterion would weigh against finding the debt to be *bona fide*.

No comparable circumstance exists here. Northstar is a limited liability company rather than a corporation. AIC has never held an equity interest in Northstar or its parent and will hold neither a stock interest nor a membership interest in Northstar. There being no stockholder/member relationship to consider as affecting the *bona fide* nature of the debt, this criterion is satisfied in favor of *bona fide* debt. Furthermore, there is no basis to question whether there is a reasonable expectation that the debt will be repaid, given that it represents only half of Northstar's capital and the remaining capital is equity contributed by Northstar's owners.

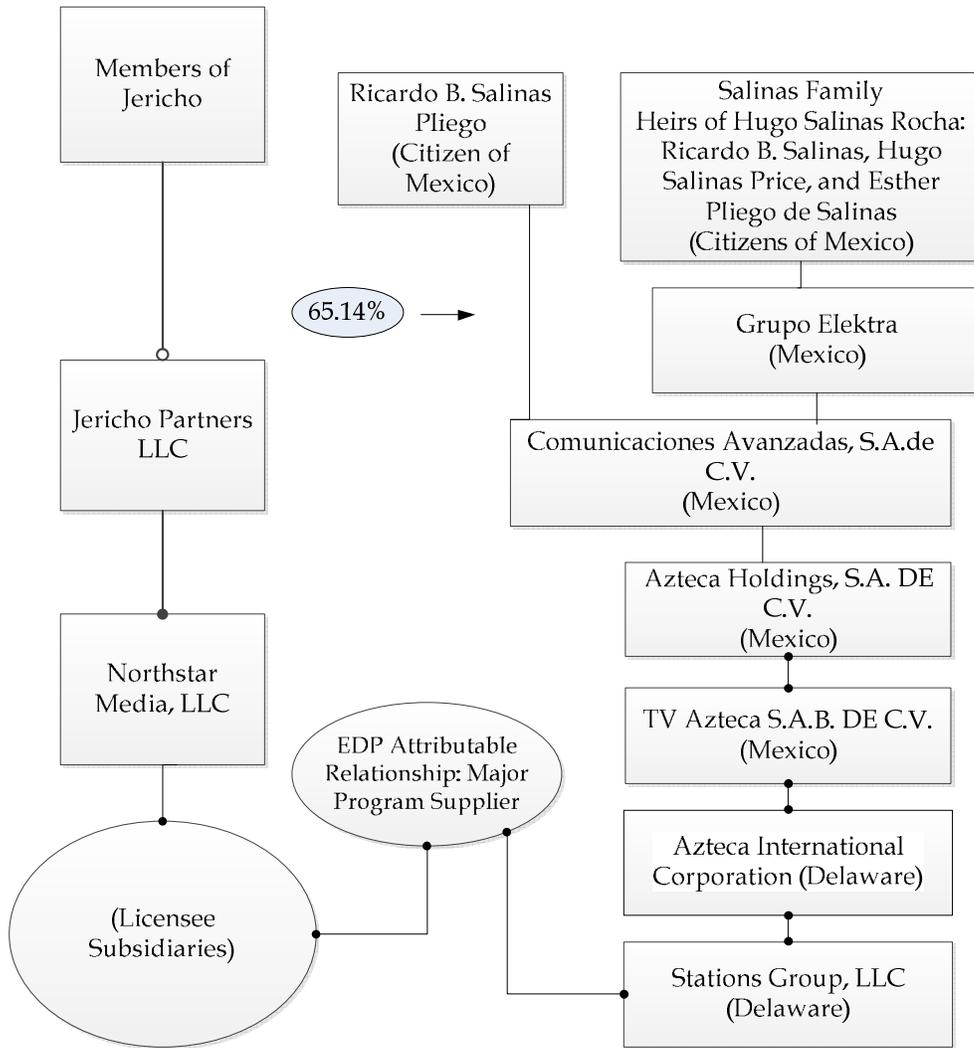
In sum, each of the *Fox II* criteria clearly and unequivocally points to the debt in question as being *bona fide* and irrelevant to the Commission's assessment of compliance with Section

310(b)(4). Section 310(b)(4) addresses the “ownership” or “voting” of “capital stock” in a “corporation” by “aliens.” Under the *Fox II* criteria, AIC’s loan to AIC is not cognizable as “ownership” for purposes of Section 301(b)(4) and the Commission’s analysis under Section 310(b)(4) is complete. Furthermore, the Commission repeatedly has held that the relationships between Northstar and AIC, as detailed in Attachment A hereto, are consistent with the maintenance of licensee control for purposes of Section 310(d), and the Commission has no separate definition of “control” for purposes of Section 310(b)(4).

ATTACHMENT C

EDP Attributable Party

The following chart summarizes the information included in Section I(B) of the Comprehensive Exhibit relating to the ownership and control of Azteca International Corporation (“AIC”), which, upon consummation of the transfer of control of the equity interests in the licensee subsidiaries to Northstar Media, LLC (Northstar”) as described in the application, would hold an attributable interest in Northstar under the Commission’s “equity-debt-plus” (“EDP”) attribution rule. AIC would be deemed to hold an attributable interest because, upon a consummation, AIC (1) would hold an EDP interest greater than 33% by reason of AIC’s providing debt financing for one-half of the purchase price for the UVM licensee subsidiaries and, concurrently, (2) would be acting as a “major program supplier” to the licensees, which would be affiliates of the Azteca America Television Network and would obtain more than 15% of their weekly programming from AIC.



ATTACHMENT D

Services Agreement

Attached is an amendment to the Restructure Coordination Agreement among Azteca International Corporation, Northstar Media, LLC, and Jericho Partners LLC that reflects changes to the proposed form of Services Agreement among Northstar Media, LLC, Stations Group LLC, and the proposed licensee subsidiaries of Northstar Media, LLC that is included as Exhibit B to the Restructuring Agreement.

**FIRST AMENDMENT TO
RESTRUCTURE COORDINATION AGREEMENT**

This is an Amendment (this “Amendment”), made and entered into as of August 14, 2013, to the Restructure Coordination Agreement (the “Original Agreement”), dated as of June 30, 2013, by and among Azteca International Corporation, a Delaware corporation (“AIC”), Northstar Media, LLC, a Delaware limited liability company (“Purchaser”) and Jericho Partners LLC, a Delaware limited liability company (“Jericho”).

RECITALS

WHEREAS, the parties hereto desire to amend and clarify certain provisions of the form of Services Agreement (the “Form of Services Agreement”) attached to the Original Agreement as Exhibit B thereto.

NOW, THEREFORE, in consideration of the foregoing and for other valuable consideration, the parties hereto agree as follows:

Article 8 of the Form of Services Agreement (“Spectrum Leasing”) is hereby amended and restated in its entirety as follows:

Northstar and the Licensees agree that, for any Station that has digital spectrum not required to broadcast the primary digital stream on which the Service will be broadcast or such additional programming streams as Northstar and the Licensees may determine, Northstar and Licensees may elect to lease such spectrum to third parties, in which case, Service Provider shall have the right, but not the obligation, to act as the agent of Northstar and the Licensees to arrange for the lease of such spectrum to third parties in accordance with FCC Legal Requirements, provided that any such lease shall be approved and executed by Northstar and/or the affected Licensees prior to its becoming effective. In exchange for such services, Service Provider shall be entitled to a commission to be agreed upon by Service Provider, Northstar, and the Licensees. Service Provider, Northstar and the Licensees shall cooperate with one another with respect to any required reports concerning such spectrum leasing. Service Provider shall reimburse Northstar and the Licensees for any payments required under Section 73.624(d) of the FCC’s rules or any successor regulation with respect to income received from spectrum leases arranged by Service Provider during any reporting period.

All references in the Original Agreement to the “Agreement,” and all references in the Original Agreement to the form of Services Agreement attached as Exhibit B thereto, shall be understood to mean the Original Agreement and the form of Services Agreement, respectively, as each of them may be amended, restated or supplemented from time to time in accordance with their respective terms, including, but not limited to, by the terms of this Amendment.

[signature pages follow]

IN WITNESS WHEREOF, each of the parties hereto has duly executed this Amendment as of the day and year first above written.

AZTECA INTERNATIONAL CORPORATION

By: _____

Name: _____

Title: _____

Horacio Medal
VP Chief Legal Officer

By: _____

Name: _____

Title: _____

NORTHSTAR MEDIA, LLC

By: 

Name: MICHAEL H JANKOWSKI

Title: Managing Member

JERICO PARTNERS LLC

By: 

Name: MICHAEL H JAHNMARK

Title: Managing Member