

Section II, Question 3

Explanation of Agreement for the Sale of Station

Under Section 2.07 of the Asset Purchase Agreement, attached as Exhibit 2 to this application, Community Television Educators of DFW, Inc. (“Community Television”) grants North Texas Public Broadcasting, Inc. (“NTPB”) an option to transmit data over Station KDTN’s facilities after the license assignment. This option must be exercised within six months of the consummation of the transaction closing. If exercised, NTPB would have the exclusive right for a three-year period to use the portion of the Station’s digital transmission stream not used by Community Television for its broadcast programming and program related material to transmit data services. Community Television would have the right to reject any data intended to be transmitted by NTPB and to preempt any data transmission when it believed the public interest required transmission of other broadcast material over the capacity. This provision of the Asset Purchase Agreement is consistent with Section 73.1150 of the Commission’s rules because NTPB only has a limited period of time to exercise the option, if exercised, NTPB would only have exclusive rights to use the Station’s excess digital facilities for a specified duration, and throughout this period, Community Television would use the Station’s digital facilities for their primary purpose – to broadcast digital noncommercial educational television programming – and would remain in ultimate control of the ancillary data being transmitted over the Station’s facilities.