

Description of Transaction

This application seeks Commission consent to the assignment of licenses of radio Stations WFXF(FM), Dundee, IL (Facility ID 3135) and WZSR(FM), Woodstock, IL (Facility ID 53505) (the “Matrix Stations”) from The Mile High Station Trust, LLC, as Trustee, (“MHST”) to Matrix Broadcasting, LLC (“Matrix”). The Matrix Stations’ licenses were assigned to MHST when NextMedia Operating, Inc., Debtor-In-Possession emerged from bankruptcy in accordance with the terms and conditions of that certain Trust Agreement dated as of May 27, 2010 by and among MHST, NextMedia Operating Inc. and NextMedia Licensing, LLC. A separate concurrently-filed assignment application (the “NM Acquisition Application”) seeks Commission consent to the assignment of the licenses of 33 full-power radio stations from NM Licensing, LLC, the licensee subsidiary of NextMedia Group, Inc. (“NextMedia”), to NM License, LLC, a wholly-owned subsidiary of NM Acquisition Sub, LLC (“NM Acquisition”). MHST is the trustee of The Mile High Station Trust, a divestiture trust of which NextMedia is the sole beneficiary.

The assignment of licenses will be made pursuant to an Asset Purchase Agreement by and between NM Acquisition and Matrix dated as of October 8, 2013 (the “APA”). Pursuant to an Asset Purchase Agreement among NextMedia, NM Acquisition, MHST, and Palm Beach Broadcasting, LLC, dated as October 8, 2013 (the “NM APA”), NM Acquisition has agreed to purchase substantially all of the assets relating to 33 full-power radio stations owned by NextMedia as well as the Matrix Stations owned by MHST. Pursuant to the APA, NM Acquisition has agreed to direct MHST to assign to Matrix the right, title and interest in certain assets (including the FCC licenses) used in the operation of the Matrix Stations. Matrix is not affiliated with NM Acquisition, and neither NM Acquisition nor any of its attributable owners has an ownership interest or other attributable interest in Matrix. As described below, NM Acquisition has agreed to provide certain services to support Matrix’s operation of the Matrix Stations, subject to the supervision and control of Matrix, and NM Acquisition will have an option to acquire the Matrix Stations. The parties respectfully request that this application and the NM Acquisition Application be processed concurrently.

The consummation of the proposed sale of the Matrix Stations is expected to take place, subject to satisfaction or waiver of specified conditions, on a date to be designated by NM Acquisition after the date that Commission consent to this Application is granted and has become a final, non-appealable order. Consummation of Matrix’s acquisition of the Matrix Stations is not a condition to NM Acquisition’s obligation to consummate its acquisition of the NextMedia stations under the NM APA. Accordingly, consummation of NM Acquisition’s acquisition of the NextMedia Stations may occur prior to the consummation of the transaction contemplated by this application. In that event, MHST would continue to hold the licenses of the Matrix Stations.

Matrix Broadcasting. Broadcast industry veteran Peter Handy, Founder and Managing General Partner of Star Media Group, a media brokerage and consulting firm, owns 95% of Matrix, and has invested significant equity to finance the acquisition of the Matrix Stations. Mr. Handy is an experienced radio station owner and currently has a majority interest in Cohan Radio Group, Inc., the licensee of five radio stations in the Sebring, Florida market. The APA contemplates that at closing Matrix will enter into a Shared Services Agreement with NM Acquisition pursuant to which NM Acquisition will provide certain limited services to the Matrix Stations under Matrix’s supervision and control. In accordance with FCC rules, NM Acquisition would have the right to sell up to fifteen percent of the advertising time on

the Matrix Stations, and provide no more than 15% of the programming aired on the Matrix Stations, subject to the ultimate control of Matrix. Other than the limited advertising time sold by NM Acquisition, Matrix will conduct or coordinate all sales operations for the Matrix Stations. Matrix also will enter into an Option Agreement with NM Acquisition, pursuant to which Matrix grants NM Acquisition the right to acquire Matrix's interest in the Matrix Stations under specified circumstances. Redacted copies of the Form of Option Agreement and Form of Shared Services Agreement are attached to Exhibit 13. Unredacted copies of these exhibits will be submitted to the Media Bureau directly with a request for confidential treatment.

Attachments. The APA is attached to this Exhibit. The NM APA is included as Exhibit 5 to the NM Acquisition Application. Matrix responds "no" to Section III, Question 3 because certain exhibits and schedules to the APA are not being submitted with this application pursuant to FCC policy and practice.¹ The omitted exhibits and schedules, listed below, contain information that is proprietary, not germane to the Commission's evaluation of the application, or already in the Commission's possession. These materials will be provided to the Commission upon request.

APA Exhibits

Exhibit A	Broadcast Cash Flow
Exhibit B	Form of Assignment of FCC Licenses (MHST to Buyer)
Exhibit C	Form of Lease Assignment and Assumption (MHST to Buyer)
Exhibit D	Form of Deed (MHST to Buyer)
Exhibit E	Form of Intellectual Property Assignment (MHST to Buyer)
Exhibit F	Form of Station Contract Assignment and Assumption (MHST to Buyer)
Exhibit G	Form of Bill of Sale (MHST to Buyer)
Exhibit H	Form of Affidavit of Non-Foreign Status

APA Schedules

Schedule 1.1	Permitted Liens
Schedule 1.1(a)	Excluded Contracts
Schedule 2.1(a)	Governmental Licenses
Schedule 2.1(b)	Tangible Personal Property
Schedule 2.1(c)(i)	Owned Real Property
Schedule 2.1(c)(ii)	Leased Real Property
Schedule 2.1(d)	Station Contracts
Schedule 2.1(e)	Business Intellectual Property
Schedule 2.2	Excluded Assets
Schedule 2.3(b)	Assumed Liabilities
Schedule 3.3	No Conflicts
Schedule 3.4	FCC License Matters
Schedule 3.5	Taxes
Schedule 3.8(c)	Condemnation Proceedings
Schedule 3.8(d)	Real Property Use
Schedule 3.10	Environmental

¹ See *LUJ, Inc.*, 17 FCC Rcd 16980 (2002).

Schedule 3.13(i)	Compliance with Law
Schedule 3.13(ii)	Indecency Complaints
Schedule 3.14	Litigation
Schedule 3.17	Financial Statements
Schedule 5.1	Pre-Closing Actions of Seller
Schedule 5.5	Required Consents
Schedule 5.7	Station Employees