SUMMARY OF TRANSITION SERVICES AGREEMENT

Concurrently filed assignment applications on FCC Form 314 seek FCC consent to the assignment of the licenses for the following television stations (the "Stations") from affiliates of CBS Corporation (collectively, the "Seller") to affiliates of Cerberus Capital Management (collectively, the "Buyer"):

KEYE-TV, Austin, Texas, Facility ID No. 33691
KUSG(TV), St. George, Utah, Facility ID No. 35822
KUTV(TV), Salt Lake City, Utah, Facility ID No. 35823
WLWC(TV), New Bedford, Massachusetts, Facility ID No. 3978
WTCN-CA, Palm Beach, Florida, Facility ID No. 70865
WTVX(TV), Fort Pierce, Florida, Facility ID No. 35575
WWHB-CA, Stuart, Florida, Facility ID No. 63557

As stated in the applications, Seller and Buyer have entered into a local marketing agreement (the "LMA") – pursuant to which Buyer is acquiring time on the Stations for its programming and advertising pending closing under the relevant purchase agreement – and a transition services agreement (the "TSA"). The purpose of the TSA is to ensure that Buyer, as a newly formed company, has access to certain services necessary for Station operations for an interim period of time.

At the request of the FCC staff, the following is a summary of the primary provisions of the TSA:

- Until June 30, 2007, Seller will provide certain sales representation services.

- During a brief transition period, Seller will assist Buyer with certain internet and email access functions.

- During a transition period, Seller will provide certain master control and traffic services.

- During a transition period, Seller will host and provide content for the Stations' websites and will assist Buyer with migrating content to Buyer's computers.

- During the transition period, Seller will provide WLWC(TV) with certain local sales production and promotions support.

SUMMARY OF LOCAL MARKETING AGREEMENT

To assist the FCC staff's review of this application, this amendment discusses the LMA entered into by C-28 FCC License Subsidiary, LLC; CBS Stations Group of Texas, L.P.; Channel 28 Television Inc.; Channel 34 Television Station LLC; KUTV Holdings, Inc.; Television Station WTCN LLC; and Television Station WWHB LLC (collectively, the "Licensee") and TV Stations Acquisition LLC (the "Broker") with respect to the Stations. Under the LMA, the Licensee is "responsible for operating the Stations in the public interest and controlling the day-to-day operations of the Stations in conformance with its FCC licenses, permits and authorizations."[1] The LMA expressly does not "prevent or hinder the Licensee from retaining and exercising full and complete control over the Stations, including, but not limited to, control of their finances, personnel, and programming."[2] And, the LMA expressly forbids the Broker and its employees and agents from holding themselves out as the licensee or owner of the Stations.[3] Accordingly, the Licensee's delegation of certain day-to-day operations to the Broker is permissible and in full accord with applicable Commission precedent.[4]

The Licensee retains control over the Stations' finances. For example, Licensee is responsible for all lease payments for the Stations' studio and transmitter sites, and all taxes and other costs incident thereto, including insurance costs; all utility costs relating to the studio and transmitter sites; maintenance and repair costs for the Stations' transmitting equipment; all costs, including utilities, taxes, insurance and maintenance, relating to the ownership of the Stations' real property; salaries, taxes, insurance and related costs for Licensee's personnel for the Stations; and all FCC regulatory or filing fees.[5] The Licensee also receives a substantial fee from the Broker and, as a result, maintains an ongoing interest in the economic condition of the Station.

In addition, the Licensee retains ultimate control over Station personnel. The Licensee is required to employ at least one full-time General Manager for each of the Stations. These individuals will oversee day-to-day operation of the stations, reporting

---

[1] *See* LMA ¶ 2.

[2] *See id*. *See also id.* ¶ 9.1; *WGPR, Inc., Licensee, and CBS, Inc., Broker, for Assignment of License of WGPR-TV, Detroit, Michigan*, 10 FCC Rcd 8140, 8141 (1995) ("*WPGR*").

[3] *See* LMA ¶ 3.1.

[4] *See*, *e.g.*, *WGPR*, 10 FCC Rcd at 8141-42; *Roy R. Russo, Esquire*, 5 FCC Rcd 7586, 7587 (MMB 1990); *Southwest Texas Public Broadcasting Council*, 85 FCC 2d 713 (1981); *Cosmopolitan Broadcasting Corporation,* 59 FCC 2d 558, *recon. denied*, 61 FCC 2d 257 (1976); *The Alabama Educational Television Commission*, 33 FCC 2d 495, 508 (1972). The Commission has stated that the same tripartite, fact-based test for control applies, regardless of whether the period in question occurs during the executory phase of a sales agreement to which the broker is the proposed assignee of the station in question, or during some other period of a station's license term. *See WGPR*, 10 FCC Rcd at 8146; *Joseph F. Bryant*, 6 FCC Rcd 6121 (VSD, MMB 1991).

[5] LMA ¶¶ 2.5, 4.1

only to the Licensee. The Licensee must also employ at least one staff-level employee for each of the Stations, who reports to and assists the relevant General Manager(s). Finally, Licensee must retain qualified Chief Operator(s) for the Stations.[6]

Finally, the Licensee retains ultimate control over the Stations' programming and operations. During the LMA period, the Stations will continue to air network programming provided by the CBS and CW television networks, which are wholly-owned and fifty percent owned, respectively, by Seller. Affiliates of the Licensee will continue sell, and retain revenues from, network advertising aired during such programming. In addition, the Stations will continue to broadcast between 10.5 and 25 hours per week of syndicated programming provided by affiliates of the Licensee. Accordingly, Seller continues to provide a significant amount of programming to each of the Stations and has a significant financial interest in the Stations' performance.

Further, the parties acknowledge that the Licensee is responsible for complying with requirements concerning the carriage of political advertisements and programming, the broadcast and nature of public service programming and children's educational/ informational programming, the maintenance of political and public inspection files and the Stations' logs, the ascertainment of issues of community concern, the preparation of all quarterly issues/programs lists and Children's Television Programming Reports, and the broadcast of locally produced programming on Class A stations.[7] The Licensee has the absolute right to suspend, cancel or reject any programming which it deems contrary to the public interest, violative of third party intellectual property rights, defamatory, indecent, obscene, profane or otherwise in violation of relevant laws, regulations, and policies.[8] The Licensee also has the absolute right to preempt programming on the Stations in order to broadcast a program deemed by Licensee to be of greater national, regional or local public interest or significance, or to provide public service programming, and to use part or all of the hours of operation of the Stations for the broadcast of events of special importance.[9] In addition, the Licensee retains the right to preempt programming on the stations to air public service programming.[10] The Licensee retains a large amount of programming time on the Stations for the broadcast of public affairs and children's programming,[11] and is responsible for maintaining main studio facilities, transmission facilities, and related equipment.[12]

---

[6] LMA ¶ 4.1.

[7] LMA ¶ 2.4.

[8] LMA ¶ 2.1.

[9] LMA ¶ 2.2.

[10] LMA ¶ 2.3.

[11] LMA ¶ 1.1(b).

[12] LMA ¶¶ 2.5, 2.6.

In short, nothing in the LMA reduces the Licensee's ultimate control over the programming, personnel, and finances of the Stations. FCC staff should therefore find that the LMA is permissible under FCC rules, precedent, and policy.