

HOWARD R. CONANT

RECEIVED

DECLARATION OF HOWARD R. CONANT

JUL 11 1996

I, Howard R. Conant, under penalty of perjury, hereby declare as follows **FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY**

I work and reside in Chicago, Illinois

I have known Rainbow Broadcasting Company principals Joseph Rey and Leticia Jaramillo for over fifteen years. I had, as a limited partner, financed the construction and operation of 39 Broadcasting Company, licensee of Station WDZL-TV at Miami, Florida which began operating in October, 1982. The general partner of that company was Leticia's sister, Susan Jaramillo. Joseph Rey was the WDZL-TV Sales Manager/Station Manager. I had already become well acquainted with his abilities during the time that he had worked for Storer Broadcasting Company and made occasional trips to Chicago. In addition to my past financial relationship with Rainbow principals, I also consider them to be personal friends of long standing.

I understand that questions have been raised at the Federal Communications Commission concerning whether or not Rainbow Broadcasting Company was financially qualified to build and operate Channel 65 at Orlando, Florida during the years 1991 through 1993. This is to state that I had an oral agreement with Rainbow Broadcasting Company to provide financing for the construction and operation of its station that preceded 1991. My commitment remained constant throughout the 1991-1993 time period and beyond. While I know that Rainbow Broadcasting Company sought to restructure itself as a limited partnership, I have nevertheless remained willing and able to finance the station pursuant to that agreement even to the present.

Joe Rey came to my office in Chicago in late 1990 to discuss Rainbow's progress. He told me at that time that the project had, in his opinion, become riskier because of a dispute over tower space and the possibility that there would be an additional television signal in the market. He also questioned whether or not it would be advisable to seek a form of equity financing, rather than to rely upon financing through me, especially during a time of national economic downturn. I was concerned about the problems that he raised and particularly about the prospect of another market television station. I recall telling Joe that I would take a wait and see attitude and that he should, as well. I never stated to him that I would not honor my commitment to the company, and while there was some skepticism on our part, the meeting concluded without a change in our agreement to go forward. We next spoke about the television station in the Summer of 1991, and Joe indicated that conditions in the Orlando television market had improved both economically and because the market was to be metered by the Nielson Company, an extremely important advantage for a new independent television station. I was pleased to hear about the improvement, and I reiterated my pledge to finance the station in that discussion. Joe told me that Rainbow Broadcasting Company was still considering the possibility of developing equity financing, and I recall telling him that if he was unsuccessful in that pursuit, I stood ready and willing to live up to my commitment.

In late 1992, I became ill with Hodgkin's disease. The Rainbow Broadcasting Company principals contacted me, and we agreed that they would enlist limited partners to provide the financing to put the station on the air. I was preoccupied at the time, with beating the disease and regaining my health, but I specifically told Joe Rey that I would still follow through on our agreement if needed.

During the preparation of this Declaration, I have been asked by counsel why I did not enter into a written agreement with Rainbow Broadcasting Company to memorialize our understanding.

Federal Communications Commission

Docket No. GC 95-172 Exhibit No. 4

Presented by Rainbow Broadcasting

Disposition } Identified X
 } Received X 9/8 6-26-96
 } Rejected _____

Reporter 9/8

Date 6-25-96

HOWARD R. CONANT

Perhaps it would have been wise to do so, but my past business experiences and relationships with Joseph Rey and Leticia Jaramillo were so satisfactory, and the nature of the agreement was basic enough, that I saw no need to reduce it to writing.

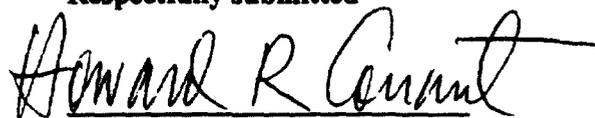
Presently, I oversee my investments which include real estate and securities. However, prior to January 2, 1990, I was chairman and with my family 96% owner of Interstate Steel Company. That company was sold to Usinor-Sacilor, a French company, for \$51 million in cash at closing. I am attaching a copy of my financial statements both prior to the sale of Interstate Steel Company and after the consummation of that sale. Throughout the period in question, 1991-1993, my financial statement did not significantly change. Indeed, even at this time, my financial statement remains largely as it was during the years in question.

The oral agreement which I had with Rainbow Broadcasting Company was reached in Chicago, Illinois office during a conversation with Joseph Rey, wherein he generally explained the company's business plan, its goals and the likely time that it would take before operations would begin. The agreement was as follows: I was to provide up to \$4 million in funds to build the station and operate for approximately 1 year. My loan was to be paid back over a 5-year period in equal monthly installments at an interest rate of 2% over the prime rate as charged by the Continental Bank. In addition, I was to get 50% of any of the station's net cash flow for the first 5 years of operation, that amount to decrease to 25% after 5 years of operation. If the station were sold at any time during that period, I was to receive 10% of the net sales price. If the station was sold before 5 years of operating I was to have a security interest in the station's assets, subject only to any prior interest that might be held by the equipment supplier. I also was to have the personal guarantees of Joseph Rey and Leticia Jaramillo, both of whom orally agreed to the proposed arrangement.

In 1991, when Joseph Rey told me that he was contemplating a limited partnership in order to provide Rainbow Broadcasting Company with long term funding, we agreed that if he were able to bring in limited partners the amount of my loan would be repaid from limited partnership funds after the station had been constructed and had been operating for 90 days. I told him that this arrangement would be fine with me, and that I was prepared to meet my original commitment if he was unable to bring in limited partners. I remained entitled to 10% of the net sales price.

I reiterate my past and present confidence in the Rainbow Broadcasting Company principals, and further state that my confidence was premised upon year's of satisfactory work together.

Respectfully submitted



Howard R. Conant

2-27-96
Date

ISSUE NO. 3

Joseph Rey will testify as to the facts and circumstances which resulted in a lawsuit against the owner of the tower upon which RBC relied to locate its antenna, the effect of the lawsuit on RBC's ability to move forward in order to construct the television facility, and the actual efforts which RBC took to construct the television facility.