

L. On February 14, 2000, this Court extended the term of the Third Stipulation pursuant to the Emergency Stipulation and Order through February 18, 2000.

M. On February 17, 2000, the Court extended the term of the Third Stipulation through March 6, 2000 and authorized the availability of an additional \$5.0 million for the Debtors' operations from Motorola and Eagle River Investments, L.L.C. (or one of its affiliates) -- pursuant to Section 364(b) of the Code (the "364(b) Financing") -- in order to assure the continued funding of the Debtors' operations through March 6, 2000, which extension authorized, by its terms, the continued use of the 364(b) Financing after the expiration of the Third Stipulation for expenses that have accrued or have been incurred but not paid through March 6, 2000.

N. By means of this Fourth Stipulation and Order, the Lenders would allow the Debtors to use up to \$3,000,000 of Company Collateral for expenses that are incurred or paid from March 7 through March 17, 2000 to the extent permitted herein. Without such funds, the Debtors will be unable to pay, among other things, rent, payroll, payroll expenses, utility charges, capital expenditures, general overhead, and restructuring charges; consequently, there would be no reasonable prospect that the Debtors would be able to find a bidder for their assets and conduct a sale pursuant to section 363 of the Bankruptcy Code.

O. The Agent on behalf of the Lenders is willing to consent to Debtors' continued use of the Company Collateral including, but not limited to, Cash Collateral, but only upon the terms and conditions set forth herein.

IT IS THEREFORE, STIPULATED, CONSENTED AND AGREED by and among the Agent, on behalf of the Lenders, Motorola, and the Debtors as follows:

1. This Stipulation and Order shall have no force or effect unless and until it is approved by the Court.

2. Debtors' assert that the value of the Collateral exceeds the Debt.

3. The Agent on behalf of the Lenders consents to the Debtors use of, and the Debtors are and shall be authorized to use, Company Collateral (including, but not limited to, Cash Collateral) during the period (the "Fourth Budget Period") beginning on March 7, 2000 and ending on the Termination Date (as defined in paragraph 10. infra). During the Fourth Budget Period, all payments from Cash Collateral shall be (i) in the amounts and for the disbursements set forth on the budget attached hereto as Exhibit A (the "Fourth Budget") (but in no case shall payments allowed for by this subclause (i) exceed, in the aggregate, \$3.0 million more than amounts previously authorized), (ii) for adequate protection as set forth in paragraph 6, infra, and all other payments provided in paragraph 14, infra, and (iii) for all amounts permitted to be paid from Cash Collateral pursuant to the Third Stipulation and Order, as amended, that shall have accrued or have been incurred but not paid prior to the expiration of the Third Budget Period. All amounts permitted to be paid pursuant to this Fourth Stipulation and Order from Cash Collateral that shall have accrued or have been incurred but not paid prior to the expiration of the Fourth Budget Period, shall be paid from the Cash Collateral after the expiration of the Fourth Budget Period, provided that to the extent that such payments are for Professional Fees (as defined below) that were accrued or incurred during the Fourth Budget Period they shall be deducted from the Carve-Out (as defined below). All amounts permitted to be paid pursuant to the Third Stipulation from the 364(b) Financing that have accrued or have been incurred but not paid prior to the expiration of the Third Stipulation shall be first paid from the 364(b) Financing

after the expiration of the Third Stipulation and then shall be paid from the Cash Collateral to the extent permitted by this Fourth Stipulation and Order.

4. The Depository Accounts shall continue to be maintained and all receipts, revenues and fees generated or received by the Debtors, and all proceeds of the sale or disposition of the Debtors' assets shall be immediately deposited in the Depository Accounts (provided that nothing set forth herein shall be deemed to be a consent by the Agent or the Lenders to any such sale or disposition to the extent such consent is required by the Credit Agreement or the Code). Except as provided in this Stipulation and Order, the Debtors agree that no monies shall be withdrawn from the Depository Accounts. The Debtors shall not (without the Agent's prior written consent, which consent will not be unreasonably withheld or delayed) establish any new bank accounts. Except as otherwise provided in the Depository Agreement, the Debtors shall direct each bank at which they deposit funds, other than the Depository Bank (such other banks being referred to as the "Other Depository Banks"), to wire all available funds in such accounts no less frequently than once a week to the Depository Accounts (or transfer such funds to the Depository Accounts as the Agent and Debtors otherwise may agree).

5. Notwithstanding anything to the contrary contained in section 552(a) of the Code, as adequate protection for, and to secure payment of, an amount equal to the aggregate diminution (including, without limitation, by depreciation, use, sale or loss) in the value of the Company Collateral (including, without limitation, the Cash Collateral) and as security for and an inducement to the Lenders and the Agent to permit the Debtors' use of the Company Collateral (including, without limitation, the Cash Collateral), and subject to the second sentence of paragraph 4, above, the Debtors hereby grant:

(i) to the Agent for the benefit of the Lenders, in addition to all existing security interests and liens granted to the Agent for the benefit of the Lenders, a security interest in and lien upon all of the Debtors' presently owned and hereafter-acquired property, assets and rights, of any kind or nature, wherever located, and the proceeds, products, rents and profits thereof, including but not limited to all cash, wherever held, whether arising from section 552(b) of the Code or otherwise, and such security interests and liens shall be valid, perfected, enforceable and effective as of the Filing Date without any further action by the Debtors, the Agent or the Lenders and senior to any other security interest or lien, subject only to (a) the valid and perfected liens and security interests of the Agent held for the benefit of the Lenders on such property, assets and rights existing as of the Filing Date, (b) other valid and perfected liens and security interests (if any) existing as of the Filing Date, (c) the payment of fees pursuant to 28 U.S.C. §1930 (the "Trustee Fees") and (d) the payment of allowed professional fees and disbursements incurred and to be incurred by the Debtors, any officially appointed committee (the "Committee") in the Cases, or any trustee, examiner or other representative or successor in interest appointed in the Cases (the "Professional Fees") to the extent that such Professional Fees are allowed as an administrative expense by the Court, provided, however, that (aa) the total amount of the Professional Fees to which the liens granted herein are subject shall not exceed \$2,000,000 in the aggregate (the "Carve-Out"), (bb) the Carve-Out shall take effect on March 7, 2000, and (cc) the Carve-Out shall expressly not include any fees and disbursements incurred or to be incurred by or on behalf of any party for challenging the amount, validity, priority or enforceability of the Debt or the security interests and liens of the Agent held for the benefit of the Lenders in the Collateral or asserting any defense, claim, counterclaim or offset with respect to the Debt or the security interests and liens of the Agent held for the benefit of the Lenders; and

(ii) to the Lenders, administrative claims with priority over other administrative expenses and claims in the Cases, as specified under section 507(b) of the Code (subject only to the Carve-Out and the Trustee Fees). No other lien or claim having a priority superior to or pari passu to that granted herein to the Agent for the benefit of the Lenders may be granted.

6. As additional adequate protection for the Debtors' use of Company Collateral and for any diminution in the value of the Company Collateral, and as security for and an inducement to the Agent and the Lenders to permit the use of the Company Collateral (including Cash Collateral), the Debtors shall (i) pay all reasonable out-of-pocket expenses incurred by the Agent and pay all reasonable out-of-pocket travel expenses incurred by any member of the Steering Committee (as defined in the Credit Agreement) and (ii) make the payments set forth in paragraph 14, infra. Nothing herein shall determine the characterization or appropriate application of said payments as principal, interest or otherwise.

7. Nothing contained in this Stipulation and Order shall be deemed a waiver by the Lenders or the Agent of their respective rights (which are expressly reserved) to assert (i) that the Debtors are obligated under the Credit Agreement and Subsidiary Guaranty to pay interest at the respective default rates specified therein to the Lenders or (ii) that the Lenders and the Agent are entitled to additional adequate protection, and the Debtors reserve the right to oppose any such assertion.

8. The Debtors agree to furnish to the Agent, each in form and substance reasonably satisfactory to the Agent, and agree to furnish to the Committee and Motorola: (i) within two (2) business days after the end of each week, a statement itemizing total disbursements made by the Debtors during the prior week and cumulatively during the Fourth Budget Period; (ii) within thirty days after the end of each month commencing with the month of November, unaudited

consolidated income statements and balance sheets of the Debtors for such month then ended; and (iii) such other reports and information as the Agent or Motorola may reasonably request. The Agent shall and the Committee shall, upon five days prior written notice provided to the Debtors and their counsel; (i) have the right, during ordinary business hours, to inspect, audit and copy the Debtors' books and records and visit and inspect the Debtors' properties (provided, that such inspection, audit or copying shall not interfere with the Debtors' conduct of their businesses); and (ii) have the right to meet with the Debtors' independent auditors concerning the work performed by such auditors for or on behalf of the Debtors.

9. None of the Lenders or the Agent shall be required to file financing statements or record any mortgage or lien in any jurisdiction or take any other action in order to validate and perfect the security interests and liens granted pursuant to this Stipulation and Order. However, if the Agent hereafter requests that the Debtors execute and deliver financing statements, mortgages, or other instruments or documents considered by the Agent to be necessary or desirable to further evidence the perfection of the liens and security interests granted in this Stipulation and Order, the Debtors agree to execute and deliver such financing statements, instruments and documents. Nothing in this Stipulation and Order shall in any way restrict the scope of the pre-petition liens, security interests, priorities, rights of set-off, remedies or claims of the Lenders or the Agent. In the event that the Cases are dismissed, neither the entry of this Stipulation and Order nor the dismissal of the Cases shall affect the rights of the Agent or the Lenders under the Credit Agreement or any of the Security Documents, and all the rights and remedies of the Lenders and the Agent thereunder shall remain in full force and effect as if the Cases had not been filed.

10. Notwithstanding anything to the contrary contained herein, the Debtors' right to use and the use of Cash Collateral shall expire (other than the use of Cash Collateral to pay Professional Fees up to the amount of the Carve-Out and as provided for in paragraph 3, above) on the earliest to occur of (the first such occurrence being hereinafter referred to as the "Termination Event"): (i) March 17, 2000; (ii) the entry by this Court or any other court of an order reversing, amending, supplementing, staying, vacating or otherwise modifying the terms of this Stipulation and Order; (iii) the dismissal of any of the Cases or the conversion of any of the Cases to a case under Chapter 7 of the Code; (iv) the entry by this Court of an order granting relief from the automatic stay imposed by section 362 of the Code to any entities other than the Lenders and the Agent with respect to acts against any of the Collateral except as provided herein; (v) the appointment for any of the Debtors of (1) a trustee or (2) an examiner or other representative with expanded powers in the operation of the business of any of the Debtors; (vi) the occurrence of the effective date or consummation date of a plan of reorganization for any of the Debtors; (vii) the failure by the Debtors to make any payment required in paragraphs 6 or 14 hereof when due, and the continuation of such failure for at least three business days; (viii) the failure by the Debtors to perform any of their obligations to the Agent or the Lenders under paragraph 8 hereof when due, and the continuation of such failure for at least ten days; and (ix) the failure by Motorola and its subsidiaries to provide to the Debtors any material administrative, maintenance and other services to be performed by Motorola (on the terms that Motorola and the Debtors had heretofore agreed would be in effect pending the formerly proposed sale under Section 363) pursuant to a certain Operations and Maintenance Contract, effective July 29, 1998, between Motorola and Iridium (as transferee of Iridium LLC) (the "O&M Contract"); (x) a material adverse change in the maintenance or operation of the Iridium System (as defined in the

Credit Agreement); and (xi) any use or attempted use by the Debtors of the Company Collateral (including, without limitation, Cash Collateral) to make any payment to Motorola, including without limitation, any payment under the O&M Contract, except as this Court may order as provided for in paragraph 17, *infra*. On the date of the Termination Event (the "Termination Date") and thereafter, the Debtors shall immediately cease using any Cash Collateral (other than the use of Cash Collateral to pay Professional Fees up to the amount of the Carve-Out and as provided for in paragraph 3, above.).

11. This Stipulation and Order and the transactions contemplated hereby shall be without prejudice to any and all rights, remedies, claims and causes of action which the Lenders or the Agent may have against any party who may be liable with any of the Debtors for the Debt or any part thereof.

12. Other than with respect to the Carve-Out and the Trustee Fees, or as otherwise provided herein: (i) no costs or expenses chargeable or alleged to be chargeable against the Collateral under section 506(c) of the Code shall be incurred in these proceedings without prior authorization of the Court after notice to the Lenders and the Agent and a hearing and (ii) nothing contained in this Stipulation and Order shall be deemed to be a consent by the Lenders or the Agent to any charge, lien, assessment or claim against the Collateral under section 506(c) of the Code or otherwise.

13. Payment of the Debt is subject to no offsets, defenses, claims or counterclaims; the separate liens and security interests encumbering the Collateral securing the Debt are each valid, enforceable and perfected; and the payments made to the Agent and the Lenders pursuant to this Stipulation and Order are not subject to recharacterization. In addition to the Debtors, this paragraph 13 shall be binding and effective upon all parties in interest, including but not limited

to any Committee unless: (i) a party in interest (but only such party) has filed an adversary proceeding within 90 days after the appointment of a Committee (except that the Committee shall have such time as permitted by a certain stipulation and order within which to file such a proceeding), without further extension unless the Agent extends said date, against the Agent and/or the Lenders with respect to the Debt, the extent of any diminution of Company Collateral, the characterization of the payments made hereunder, or the liens, security interests and pledges of and to the Agent, held for the benefit of the Lenders, securing the Debt; and (ii) the Court rules in favor of the plaintiff in any such adversary proceeding.

14. Ten days following their receipt of reasonably detailed invoices (subject in all respects to applicable privilege or work product doctrines), and without the necessity of filing formal fee applications, the Debtors shall pay all of the reasonable professional fees and disbursements for services rendered by Morgan, Lewis & Bockius LLP, Milbank, Tweed, Hadley & McCloy LLP, Chilmark Partners and any other professionals, on behalf of the Agent, incurred both before and after the Filing Date in connection with the negotiation, preparation and administration of this Stipulation and Order, the administration of the Credit Agreement and the Security Documents, the collection of the Debt, including any negotiations and all other activities in or related to the Cases, and the enforcement of the Lenders' and the Agent's rights and remedies under the Credit Agreement, the Security Documents and this Stipulation and Order; provided that (i) copies of the invoices shall also be provided by such professionals to counsel for the Debtors, any Committee and the United States Trustee; and (ii) no motion is filed with the Court by the Debtors, the United States Trustee or any Committee within ten days of receipt of the invoices, objecting to all or any portion of such invoices, providing at least ten days prior written notice to the Agent of any hearing on such motion and setting forth specific

objections to all or any portion of the invoices. Any payments pursuant to this paragraph 14 shall constitute a permitted use of the Cash Collateral.

15. During the pendency of the Fourth Budget Period, except as provided in paragraph 17. infra, Motorola shall not request and shall not seek to receive any payment from the Debtors, and the Debtors shall not make any payment to Motorola, including, without limitation, any payment under the O&M Contract. Motorola shall not be under any obligation to continue to provide any services under the O&M Contract and related agreements for operational services beyond the Fourth Budget Period, except to the extent Motorola actually receives payments in cash on a current basis for all amounts payable under the O&M Contract and such related agreements. Subject to the preceding sentence, nothing herein shall limit or otherwise affect the ability of any party to challenge the amount, validity or priority of, or recoup or offset against, any prepetition or postpetition claims that Motorola may have against the Debtors.

16. During the Fourth Budget Period, Motorola is authorized to and, in its sole discretion, may develop a de-orbiting plan (the "De-orbiting Plan") to (i) de-orbit and provide for a controlled re-entry and disposal of the Debtors' space-based communications vehicles (collectively, the "Iridium Satellites") and (ii) terminate all related land-based support operations. Motorola is authorized to prepare appropriate software and mission plans, give or direct that appropriate notices be given to their customers, and take such other and further actions as it deems necessary in connection with such De-orbiting Plan (all of Motorola's activities in connection with the development and implementation of the De-orbiting Plan, collectively, being the "De-orbiting Services"). Nothing in this Stipulation and Order or otherwise shall be construed to impose an obligation on Motorola to perform De-orbiting Services after the Termination Date. The Debtors are hereby authorized and directed to assist and cooperate with

Motorola in developing the De-orbiting Plan and performing other De-orbiting Services, if any. Although Motorola may undertake to develop a De-orbiting Plan, Motorola shall not actually implement such De-orbiting Plan or take any irreversible actions with respect to de-orbiting the Iridium Satellites until the occurrence of the Termination Date, provided that, upon the occurrence of the Termination Date, no Qualified Bid (as defined in paragraph 19, infra) has been received.

17. Nothing contained in this Stipulation and Order shall be construed as a determination of liability with respect to the expense of the De-orbiting Plan and De-orbiting Services. This Stipulation and Order is without prejudice to Motorola's rights to obtain payment for any De-orbiting Services or to obtain any characterization of claims with respect to the De-orbiting Plan and De-orbiting Services as Motorola deems appropriate (provided, however, that Motorola shall not receive payment during the pendency of the Fourth Budget Period, but Motorola may seek such payments to be made at any time thereafter as provided in this paragraph 17), or to the ability of any party to challenge the amount, validity, priority or allocation of any expenses relating to De-orbiting Services. The Debtors shall promptly seek a determination by this Court, at the earliest practicable opportunity, as to the priority or status of (including, notwithstanding anything in this Stipulation and Order to the contrary, any surcharge under Section 506(c) of the Code) and allocation of liability for the expense of developing the De-orbiting Plan and the performance of other De-orbiting Services, if any.

18. Upon the occurrence of the Termination Date, in the absence of a Qualified Bid, as defined below, (i) the Debtors and Motorola are authorized to, and the Debtors are directed to cooperate with Motorola to, de-orbit the Iridium Satellites pursuant to the De-orbiting Plan, provided that the Debtors shall not be required to expend monies to effectuate such de-orbiting

unless ordered by the Court pursuant to paragraph 17, above, and if Motorola or any other party effectuates such de-orbiting, the liability of the Debtors' estates, if any, to Motorola or such other party shall be solely as determined pursuant to the preceding paragraph 17, (ii) the O&M Contract and related agreements for operational services shall be deemed to be rejected pursuant to section 365 of the Code, and (iii) Motorola is authorized to and, in its sole discretion, may take such steps as it determines are necessary and appropriate to implement the De-orbiting Plan consistent with this Order. The performance of any De-orbiting Services shall not constitute a violation of the automatic stay imposed by Section 362 of the Code. Nothing contained in this paragraph shall constitute a determination as to which party is obligated to bear any or all of the costs of de-orbiting the Iridium Satellites, which determination shall be made pursuant to paragraph 17, above.

19. For purposes of this Stipulation and Order, a Qualified Bid is a written offer, received by the Debtors prior to 5:00 p.m., ET, on March 15, 2000, to purchase substantially all of the Iridium Satellites pursuant to Section 363 of the Code (the "363 Sale"). In addition, a Qualified Bid must: (i) provide for debtor-in-possession financing (upon terms which do not provide a lien or claim to cash, cash equivalents, or reserve capital call obligations) provided by or on behalf of the bidder, in an amount sufficient to pay, in cash and on a current basis, all of the general operating expenses of the Debtors, from and after March 17, 2000 through the earlier of (x) the estimated date set for consummation of the 363 Sale or (y) if there are material conditions to closing, the estimated date that the bidder will determine whether such conditions are satisfied (such earlier date, the "End Date"); (ii) provide for the payment from and after March 17, 2000 and until the End Date, by the bidder, in cash on a current basis, and on terms satisfactory to Motorola, of all of the obligations owing to Motorola for the provision after March 17, 2000 of

administrative, maintenance and other services under the O&M Contract and related agreements for operational services (as the same may be modified from time to time with the prior written consent of Motorola; provided that the monthly cost of the services that Motorola and the Debtors had heretofore agreed would be in effect pending the formerly proposed sale under Section 363 will not be in excess of \$9,200,000.00); (iii) be made by a prospective purchaser satisfactory to Motorola in the exercise of reasonable judgment and satisfactory to the Lenders in the exercise of reasonable judgment; and (iv) be satisfactory in form and substance to the Debtors. If conditions (iii) or (iv) of the preceding sentence are not satisfied, then this Court shall determine whether any offer is a Qualified Bid; provided, however, that no offer shall constitute a Qualified Bid that does not satisfy conditions (i) and (ii) of the preceding sentence and that is not accompanied by a Good Faith Deposit, as defined below. In order to constitute a Qualified Bid, a prospective purchaser must submit with its offer a refundable cash deposit, or a letter of credit issued by a bank reasonably acceptable to the Debtors, the Lenders, the Committee, and Motorola, equal to the greater of (x) ten percent (10%) of the value of the consideration being offered in the 363 Sale or (y) \$10,000,000.00 (the "Good Faith Deposit"). A Good Faith Deposit will be refunded if the associated offer is not accepted as a Qualified Bid prior to the Termination Date. The Debtors shall notify the Lenders, Motorola and the Committee immediately upon receipt of all bids.

20. This Stipulation and Order has been negotiated in good faith and at arm's length among the Debtors, the Lenders, the Agent and Motorola and each of the parties hereto has had the opportunity to receive independent legal advice from attorneys of its choice with respect to the advisability of entering into this Stipulation and Order.

21. If any or all of the provisions of this Stipulation and Order are hereafter modified, vacated, or stayed by order of this or any other Court, such stay, modification, or vacation shall not affect in and of itself the validity and enforceability of any lien, priority, other benefit, or application of payment authorized hereby with respect to any indebtedness of the Debtors to the Lenders or Motorola.

22. The automatic stay imposed by section 362 of the Code is hereby modified to the extent necessary to permit the Agent and the Lenders to take any and all steps necessary and appropriate, including the filing and recording of financing statements, to perfect the security interests and liens granted to the Agent, for the benefit of the Lenders, in paragraph 6 of this Stipulation and Order.

23. This Stipulation and Order cannot be amended or modified except by a writing executed by all the parties hereto and approved by the Court.

24. This Stipulation and Order may be executed in counterparts by the parties hereto.

25. Notwithstanding anything to the contrary herein, nothing contained in this Stipulation and Order shall preclude the Debtors from seeking to obtain, and upon satisfying the conditions of section 364 of the Code, from obtaining any further debtor-in-possession financing pursuant to section 364 of the Code, it being understood that (1) the rights of all parties to support or oppose such financing are expressly preserved and (2) the Agent and the Lenders do not consent to any such financing and the Agent's and the Lenders' consent to the use of Cash Collateral shall terminate upon the granting of any such further financing.

26. The terms and provisions of this Stipulation and Order shall be binding upon the Debtors, any successors in interest to the Debtors (including, without limitation, any trustee appointed in the Cases or in any superseding case under Chapter 7 of the Code), upon the

Lenders and the Agent and their respective successors and assigns and upon Motorola and its successors and assigns.

Dated: March 6, 2000

THE CHASE MANHATTAN BANK
Individually and as Agent for the Lenders
under the Credit Agreement

By: Agreed to on the record on March 6, 2000

IRIDIUM OPERATING LLC

By: Agreed to on the record on March 6, 2000

IRIDIUM LLC

By: Agreed to on the record on March 6, 2000

IRIDIUM IP LLC

By: Agreed to on the record on March 6, 2000

IRIDIUM CAPITAL CORP.

By: Agreed to on the record on March 6, 2000

IRIDIUM ROAMING LLC

By: Agreed to on the record on March 6, 2000

CONTINUATION OF SIGNATURE PAGES OF STIPULATION AND ORDER

IRIDIUM (POTOMAC) LLC

By: Agreed to on the record on March 6, 2000

MOTOROLA, INC.

By: Agreed to on the record on March 6, 2000

SO ORDERED:

March 6, 2000

By: /s/ Cornelius Blackshear

UNITED STATES BANKRUPTCY JUDGE

FEDERAL COMMUNICATIONS COMMISSION

Washington, D. C. 20554

NOV 13 2001

OFFICE OF
MANAGING DIRECTOR

Warren Jones, President
Music Express Broadcasting Corporation
of Northeast Ohio
Post Office Box 800
Chardon, Ohio 44024-0800

Re: Request for Waiver of FY 2001
Regulatory Fee
Fee Control No.: 00000RROG-01-030

Dear Mr. Jones:

This letter responds to your request for a waiver of the Fiscal Year (FY) 2001 regulatory fee in the amount of \$875 submitted on behalf of AM station WATJ, Chardon, Ohio, licensed to Music Express Broadcasting Corporation of Northeast Ohio.

You assert that WATJ is operating under great financial hardship, as demonstrated by its 2000 Form 1120S, U.S. Income Tax Return for an S Corporation, which you attach. In particular, you point out that the station is operating at a loss and that no compensation has been paid to the company's officers.

In establishing a regulatory fee program, the Commission recognized that in certain instances payment of a regulatory fee may impose an undue financial hardship upon a licensee. The Commission therefore decided to grant waivers or reductions of its regulatory fees in those instances where a "petitioner presents a compelling case of financial hardship." See Implementation of Section 9 of the Communications Act, 9 FCC Rcd 5333, 5346 (1994); recon. granted, 10 FCC Rcd 12759 (1995).

WATJ's 2000 Income Tax Return confirms that the station paid no compensation to its officers and that it suffered an operating loss of \$38,623, which was only partially offset by its deduction for depreciation in the amount of \$19,446. Accordingly, in light of WATJ's compelling showing of financial hardship, your request for waiver of the 2001 regulatory fee is granted.

Warren Jones, President

2.

If you have any questions concerning this letter, please contact the Revenue and Receivable Operation Group at (202) 418-1995.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark A. Reger". The signature is fluid and cursive, with a large initial "M" and "R".

 Mark A. Reger
Chief Financial Officer

RECEIVED
FCC
2001 SEP 19 P 3:03
MUSIC EXPRESS
BROADCASTING CORPORATION
OF NORTHEAST OHIO
P.O. Box 800
Hardon, OH 44024-0800
ACCOUNT PROCESSING
GROUP-DPT/RPT/

Phone: (440) 285-2269

Fax: (440) 286-9247

Office of the Managing Director
Federal Communications Commission
Attn.: Regulatory Fee Waiver/Reduction Request
445 12th Street, S. W., Room 1-A625
Washington, D.C. 20554

September 18, 2001

Re: Request for Waiver of Regulatory Fee
AM Radio Station WATJ, 1560

Dear Sir or Madam,

W F 9

Please find enclosed page one of our 2000 Form 1120S, U.S. Income Tax Return, for Music Express Broadcasting Corp., the licensee of WATJ. The loss on line 21 illustrates that we are operating under great financial hardship. Please note that line 7 indicates that no compensation has been paid to the company's officers.

Our fees were waived for FY 1997 (see enclosed copy of August 6, 1998 FCC correspondence) and succeeding years, although no confirming letters were received for the later years.

In consideration of all the above, please therefore grant us relief from Regulatory Fees for FY 2001.

Sincerely yours,

Warren Jones
Warren Jones,
President

WJ:baj
Enclosures

00000R06-01-030

FEDERAL COMMUNICATIONS COMMISSION

Washington, D. C. 20554

August 6, 1998

OFFICE OF
MANAGING DIRECTOR

Mr. Warren Jones
Music Express Broadcasting Corporation
of Northeast Ohio
PO Box 800
Chardon, Ohio 44024-0800

Re: Request for Waiver of Regulatory Fee
AM Radio Station WATJ
Fee control # 9709158835324007
Fee Paid: \$1,400

Dear Mr. Jones:

This is in response to your request for a waiver of the Fiscal Year (FY) 1997 regulatory fees for AM Radio Station WATJ, Chardon, Ohio, licensed to Music Express Broadcasting Corporation (Music Express). You argue that Radio Station WATJ has been operating at a loss and that you are not paid a salary. In support of your request, you have submitted a copy of Music Express' 1997 Income Tax Return.

In establishing its regulatory fee program, the Commission recognized that in certain instances payment of a regulatory fee may impose an undue financial hardship upon a licensee. Thus, the Commission decided to grant waivers or reductions of its regulatory fees in those instances where a "petitioner presents a compelling case of financial hardship." Implementation of Section 9 of the Communications Act, 9 FCC Rcd 5333, 5346 (1994), reconsideration granted, 10 FCC Rcd 12759 (1995).

In determining whether a licensee has sufficient revenues to pay its regulatory fees, the Commission relies upon a licensee's cash flow, as opposed to the entity's profits. Thus, although deductions for amortization and depreciation, which do not affect cash flow, and payments to principals, reduce gross income for tax purposes, those deductions also represent money which is considered to be available to pay the regulatory fee.

The Income Tax Return confirms that there has been no compensation paid to Music Express' officer and that the licensee has suffered financial losses which are not off-set by depreciation or amortization. Under these circumstances Music Express has made a compelling showing of financial hardship which warrants a waiver of the regulatory fee paid for AM Radio Station WATJ.

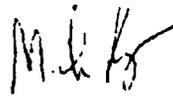
Mr. Warren Jones

2.

The waiver, however, is limited to Music Express' FY 1997 regulatory fee. If Music Express continues to experience financial hardship, you may file requests for waivers of its regulatory fees for FY 1998 and succeeding years, supported by documentation of its current financial condition.

A check, made payable to the maker of the original check, and drawn in the amount of \$1,400 will be sent to you at the earliest practicable time. If you have any questions concerning the refund, please call the Chief, Fee Section, at (202) 418-1995.

Sincerely,



Mark Reger
Chief Financial Officer

FEDERAL COMMUNICATIONS COMMISSION

Washington, D. C. 20554

NOV 1 2001

OFFICE OF
MANAGING DIRECTOR

Maurice Cohen, President
Northeast Radio, Inc.
243 Central Street
Lowell, Massachusetts 01852

Re: Request for Waiver of FY 2000
Regulatory Fee
Fee Control No.: 0009268835848013

Dear Mr. Cohen:

This letter is in response to your request for waiver and refund of the \$1,374 regulatory fee for Fiscal Year (FY) 2000 filed on behalf of Northeast Radio, Inc., licensee of AM station WCAP.

In your request for refund of the regulatory fee, you recite that WCAP had an operating loss of \$46,154 in 1999. In support, you attached a Statement of Operations and Accumulated Deficit for 1998 and 1999 prepared by your auditors. Additionally, you state that you do not draw a salary or expense money.

In establishing a regulatory fee program, the Commission recognized that in certain instances payment of a regulatory fee may impose an undue financial hardship upon a licensee. The Commission therefore decided to grant waivers or reductions of its regulatory fees in those instances where a "petitioner presents a compelling case of financial hardship." See Implementation of Section 9 of the Communications Act, 9 FCC Rcd 5333, 5346 (1994); recon. Granted, 10 FCC Rcd 12759 (1995). The Commission further held that regulatees can establish financial need by submitting:

[I]Information such as a balance sheet and profit and loss statement (audited, if available), a cash flow projection . . . (with an explanation of how calculated), a list of their officers and their individual compensation, together with a list of their highest paid employees, other than officers, and the amount of their compensation, or similar information.

10 FCC Red at 12761-62.

In determining whether a licensee has sufficient revenues to pay its regulatory fees, the Commission relies upon a licensee's cash flow, as opposed to the entity's profits. Thus, although deductions for amortization and depreciation, which do not affect cash flow, and payments to principals, reduce gross income for tax purposes, those deductions also represent money which is considered to be available to pay the regulatory fee.

Maurice Cohen, President

2.

Our review of Northeast Radio, Inc.'s Statement of Operations and Accumulated Deficit shows a net operating loss of \$43,752 for 1999. Other documentation on file from the licensee in connection with a prior waiver request (Statement of Cash Flows for 1998 and 1999) shows a depreciation for \$1,076 in 1999, which indicates that the loss for that year did not result solely from this item. Nor did it result from any compensation or reimbursement for expenses to you personally. Therefore, your request for a waiver and refund of the \$1,374 regulatory fee for FY 2000 is granted. A check, made payable to the maker of the original check, and drawn in the amount of \$1,374, will be sent to you at the earliest practicable time.

If you have any questions concerning this refund, please contact the Revenue and Receivable Operation Group at (202) 418-1995

Sincerely,

A handwritten signature in black ink, appearing to read "Mark A. Reger", with a large, stylized flourish at the end.

 Mark A. Reger
Chief Financial Officer

0009268835848013

TALKRADIO
980 WCAP AM

RECEIVED
FCC

Alan

5000 WATTS
DAY AND NIGHT

2000 SEP 20 P 2:51 September 15, 2000

PROCESSING
FCC

RECEIVED
SEP 20 2000
FCC MAIL ROOM

Office Of The Managing Director
Federal Communications Commission
445 12th Street, S.W. Room 1-A625
Washington, D.C. 20554

Attn: Regulatory Fee Waiver/Reduction Request

Dear Sir or Madam:

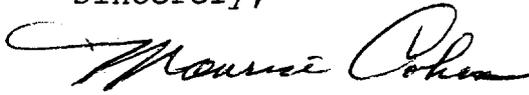
Under separate cover I have submitted my "Remittance Advice" form authorizing a credit card payment of \$1374.00 for WCAP's year 2000 Regulatory Fee.

I respectfully request a refund of the above fee as WCAP had an operating loss of \$46,154 last year (1999). Enclosed is a copy of our "Statement of Operations and Accumulated Deficit" as prepared by our auditors LaPointe, Torrissi, Stanley & Co., P.C., Telephone 978-794-5700.

Despite our losses, WCAP has not cut back on our services to the community.
We continue our local news gathering service.
Employ the services of a news reporter from the State House.
Have continued our annual Salvation Army Drive for donations.
Free interviews/debates for practically all candidates for public office, local, state and federal.
Offer free time to nonprofit organizations.
Every fall we conduct our direct mail campaign to all area schools, colleges, factories and businesses with instructions on how to contact WCAP for free weather cancellation announcements, closings or other factors that may disrupt normal business.

I personally do not draw a salary or expense money.
Thank you for considering my request.

Sincerely,



Maurice Cohen
President

RECEIVED
FCC
SEP 20 2000

Payment Transactions Detail Report

Date: 10/04/2000

BY: FEE CONTROL NUMBER

Fee Control Number	Payor Name				Fcc Account Number	Payer TIN	Received Date				
0009268835848013	COHEN, MAURICE 243 CENTRAL STREET				WP00030081	0003098496	9/20/2000 00:00:0				
	LOWELL	MA	01852								
Payment Amount	Current Balance	Seq Num	Payment Type Code	Quantity	Callsign Other Id	Applicant Name	Applicant Zip	Bad Check	Detail Amount	Trans Code	Payment Type
\$1,374.00	\$1,374.00	2	0069	1	KG9741	NORTHEAST RADIO INC	018522214		\$12.00	2	PMT
\$1,374.00	\$1,374.00	1	0026	1	WCAP	NORTHEAST RADIO INC	018522214		\$1,350.00	2	PMT
\$1,374.00	\$1,374.00	3	0069	1	WGR846	NORTHEAST RADIO INC	018522214		\$12.00	2	PMT
Total									<u>\$1,374.00</u>		