

DESCRIPTION OF TRANSACTION

As demonstrated on the attached flow chart, KRCA License Corp. (the “Licensee”), licensee of KRCA(TV), Riverside, California, KSDX-LP, San Diego, California and permittee of KRCA1, Hesperia/Pearblossom, California, is wholly-owned by KRCA Television, Inc. KRCA Television, Inc. is, in turn, wholly-owned by Liberman Television, Inc., which, in turn, is wholly-owned by LBI Holdings II, Inc. LBI Holdings II, Inc. is, in turn, wholly-owned by LBI Intermediate Holdings, Inc. LBI Intermediate Holdings, Inc. is, in turn, wholly-owned by LBI Holdings I, Inc. Jose Liberman and Lenard D. Liberman each own 50% of the stock of LBI Holdings I, Inc. (Licensee, KRCA Television, Inc., Liberman Television, Inc., LBI Holdings II, Inc., LBI Intermediate Holdings, Inc. and LBI Holdings I, Inc., collectively, “Liberman”). KRCA License Corp. has also been issued a construction permit for KRCA-DT (BPCDT19980702KF), as modified by BMPCDT20000501AFR.

In conjunction with a financing transaction, Liberman proposes to merge LBI Intermediate Holdings, Inc. with and into LBI Holdings II, Inc., with LBI Holdings II, Inc. being the surviving entity. As part of the transaction, LBI Holdings II, Inc. will be renamed LBI Media, Inc. LBI Media, Inc. will become a wholly-owned subsidiary of LBI Holdings I, Inc. in the Liberman structure. This application returns the ownership structure to that which was in place before the *pro forma* transfer of control consummated pursuant to BTCCT-20001228AAJ. The revised structure is also demonstrated on the attached flow chart.

There will be no change in the ownership of LBI Holdings I, Inc. as a result of the restructuring. As a result, the transfer qualifies as *pro forma*.

CURRENT STRUCTURE

Jose and Lenard Liberman

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LBI Holdings I, Inc.

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LBI Intermediate Holdings, Inc.

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LBI Holdings II, Inc.

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Liberman Television, Inc.

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KRCA Television, Inc.

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KRCA License Corp.

PROPOSED STRUCTURE

Jose and Lenard Liberman

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LBI Holdings I, Inc.

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LBI Media, Inc.
(formerly known as LBI Holdings II, Inc.)

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Liberman Television, Inc.

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KRCA Television, Inc.

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KRCA License Corp.