

Description of Transaction

By this and other concurrently-filed applications, Evening Post Industries, Inc. (“EPI”), on behalf of the EPI licensee subsidiaries listed on Exhibit A hereto (the “Licensees”), requests the Commission’s consent to the concurrent (i) *pro forma* creation of a new, wholly-owned holding company in the EPI ownership chain, EPI Group, LLC (“EPI Group”); and (ii) *pro forma* transfer of non-voting membership interests in Cordillera Communications, LLC (“Cordillera”) from EPI to EPI Group (collectively, the “Reorganization”). Organizational charts reflecting the pre- and post-transaction structures are attached as Exhibit B.

Upon the Reorganization, which is subject to shareholder approval, (i) existing EPI shareholders would contribute all of their stock in EPI to EPI Group and would receive, in exchange, LLC membership interests in EPI Group,¹ (ii) EPI would merge with an existing wholly-owned subsidiary of EPI Group, with EPI surviving the merger as a wholly-owned subsidiary of EPI Group, and (iii) non-voting LLC membership interests in Cordillera currently held by EPI would be transferred to EPI Group.

The Reorganization qualifies for *pro forma* treatment because it involves no substantial change in the ownership or control of the Licensees. Prior to the Reorganization, EPI shareholders control the Licensees by virtue of their capital stock in EPI, which ultimately owns and controls the Licensees. While current EPI shareholders will have the option to vote against the Reorganization and exchange their shares for cash, it is expected that all currently-attributable EPI shareholders will elect to exchange their shares for voting interests in EPI Group. Thus, following the Reorganization, current EPI shareholders, including the attributable shareholders in EPI, will control the Licensees by virtue of their ownership and control of 100% of the membership interests in EPI Group, which ultimately will own and control the Licensees.

In connection with this transaction, the parties intend to enter into agreements regarding organization and governance of EPI Group. These agreements, which will comply with the Commission’s rules and policies, have not been finalized but will be filed with the Commission upon execution to the extent required by Section 73.3613 of the Commission’s rules.

¹ As described in more detail in Exhibit 12, EPI shareholders that currently are non-attributable would be subject to customary LLC insulation provisions in the EPI Group operating agreement upon consummation of the Reorganization.

Exhibit A

Licensees

KSBY Communications, LLC
KCTZ Communications, LLC
KPAX Communications, LLC
KVOA Communications, LLC
KATC Communications, LLC
KTVQ Communications, LLC
KXLF Communications, LLC
KRTV Communications, LLC
Sangre de Cristo Communications, LLC
WLEX Communications, LLC

Exhibit B

Pre-Transaction Organizational Chart

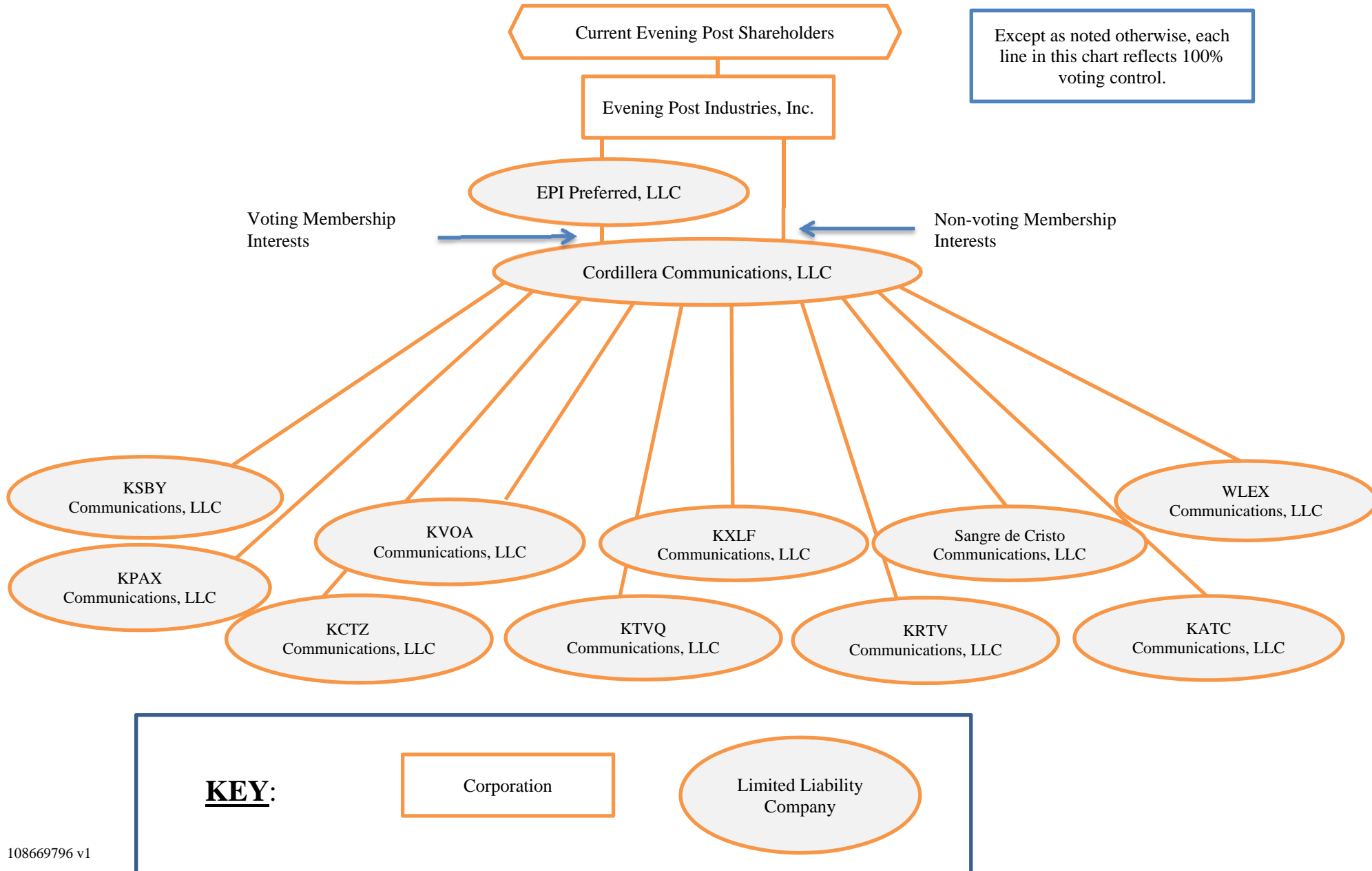


Exhibit B

Post-Transaction Organizational Chart

