MULTIPLE OWNERSHIP COMPLIANCE

This and a concurrently filed application seek the Commission's consent to the assignment of the licenses of KEYU(DT), KEAT-LP, KEYU-LP, KAMT-LP, KWKO-LP, KUTW-LP, KUWF-LP and KTWW-LP (the "Stations"), from Borger Broadcasting, Inc., Debtor in Possession ("Borger"), and Equity Media Holdings Corporation, Debtor in Possession ("Equity," and together with Borger, "Assignors") to Midessa Broadcasting, L.P. ("Midessa"). This exhibit requests a waiver of the local television ownership rule as to KEYU(DT), Borger, Texas pursuant to the failing station exception.

I. Background.

The proposed assignee, Midessa, shares common ownership with Panhandle Telecasting LP ("Panhandle"), the licensee of full power television station KFDA-TV in Amarillo, Texas. KFDA-TV operates in the same Amarillo, Texas Nielsen Designed Market Area ("Amarillo DMA") as KEYU, the only full power station involved in the proposed transaction. The digital equivalent of the Grade B contours of KFDA-TV and KEYU overlap, thus implicating the local television ownership rule.

A waiver of the local television ownership rule is necessary because even though KEYU is not among the top four ranked stations in the Amarillo DMA,[1] fewer than eight independently-owned television stations would remain in the Amarillo DMA following the consummation of the transaction. As demonstrated below, the proposed acquisition of KEYU by Midessa falls squarely within the "failing" station exception to the rule.

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[1] *See* Attachment A, Declaration of Kim Kelly ("Borger Declaration"), at 1.

As previously reported to the Commission, Equity and certain of its subsidiaries including Borger filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. Sections 101-1532, as amended, with the United States Bankruptcy Court for the Eastern District of Arkansas in late 2008. There is no hope that Equity will re-emerge from bankruptcy as a reorganized entity. Instead, Equity and its subsidiaries have been actively working to liquidate their assets, including the Stations, in an organized manner for the benefit of their creditors. At this point, Equity has liquidated the majority of its assets – the Stations are among the last that Equity still operates. Equity, in fact, is a shell of the company that it once was, with a minimal staff. The Commission has implicitly noted Equity's unique circumstances, expeditiously granting Equity assignment applications and requests for special temporary authority to go dark or operate at reduced power.

KEYU itself is in a dire situation. The station's technical facilities have deteriorated to such an extent that it might as well be off the air. The failures of the transmitter tube, a portion of the cavity and the mask filter have resulted in KEYU operating at no more than five percent of its authorized power.[2] However, Midessa suspects that there are additional issues with KEYU's transmission facilities, as KEYU's signal is not viewable in Amarillo or Borger, Texas, the station's city of license.

These facts demonstrate that the principles behind the Commission's "failed" station standard would be served by a grant of a waiver in this case. As the Commission has observed:

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[2] *See* Borger's request for Special Temporary Authority, FCC File No. BLDSTA-20090921ABX.

> A station that is off the air or in involuntary bankruptcy or insolvency proceedings can contribute little, if anything, to any type of diversity in a local market. Nor does such a station constitute a viable alternative in the local advertising market. . . We believe the benefit to the public of keeping a failed station on the air or returning a dark station to service is significant. We further note that the economies of scale that result from common ownership may in many circumstances be the only viable means of rejuvenating a failed station in an expeditious manner.[3]

While the circumstances may justify a "failed" station waiver, the applicants hereby request merely a "failing" station waiver.

II. Request for Waiver.

The Commission's *Local Ownership Order* stated the criteria for a "failing" station waiver as:

- One of the merging stations has had a low all-day audience share (*i.e.*, 4% or lower);
- The financial condition of one of the stations is poor (*e.g.*, the station has had negative cash flow for the previous three years);
- The proposed merger will produce public interest benefits; and
- The in-market buyer is the only reasonably available candidate willing and able to acquire and operate the failing station, and selling the station to an out-of-market buyer would result in an artificially depressed price.[4]

The instant transaction meets each criterion of the "failing" station waiver standard.

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[3] *Review of the Commission's Regulations Governing Television Broadcasting*, 14 FCC Rcd 12093, 12936-37 (1999) ("*Local Ownership Order*"), *recon. granted in part*, 16 FCC Rcd 1067 (2001).

[4] *Id.* at 12939; *Minden Television Company, LLC*, DA 09-1731, released July 31, 2009 (Media Bureau), at 2.

A. KEYU Has Consistently Achieved Low All-Day Audience Share.

KEYU commenced operations in 2005 as a digital-only station. Since then, it has struggled to acquire an audience. The station's most recent reported audience share – for the July 2009 sweeps – was 1.1.[5] The highest share that KEYU has ever achieved is a measly 2.2. Attachment B to this exhibit contains the Nielsen Media Research audience data for KEYU for the Nielsen "sweeps" reporting periods from 2006 through the present. As shown on Attachment B, KEYU garnered average household audience shares of 0.0 in 2006, 1.0 in 2007 and 1.5 in 2008, Mondays through Sundays from 9:00 a.m. to midnight, based on a Nielsen four-book average (February-May-July-November). The viewing levels have remained low in 2009: KEYU achieved only a 1.3, 1.8 and 1.1 household audience share, respectively, during the March, May and July sweeps.

The Nielsen data thus demonstrates that the proposed transaction satisfies the first criterion of the "failing" station waiver standard – a low all-day audience share of 4% or lower.

B. KEYU Has Experienced Persistent Negative Cash Flows.

KEYU has consistently lost money, struggling to maintain viable operations, much less to become a viable voice and competitor in the Amarillo DMA. The Borger Declaration includes financial reports for KEYU for the previous three years (2006, 2007 and 2008). In each of the last three years, KEYU experienced annual negative cash flow and annual net losses ranging from nearly $300,000 to over $450,000. The losses reported in the Borger Declaration are conservative. For example, the losses do not include any allocation of Equity's

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[5] *See* 47 C.F.R. § 73.3555(b)(2)(i); *see also Davis Television of Clarksburg, LLC*, 23 FCC Rcd 5472, 5476 (Video Division 2008) ("the relevant audience share is that most recent to the filing of the application").

financing costs, which were significant, even though the Commission has stated that it is appropriate to include interest expense in operating cash flow.[6]

Equity and Borger filed for bankruptcy protection at the end of 2008, and KEYU's financial position has continued to deteriorate. Notwithstanding that the station currently operates with at most five percent of its authorized power level, thereby providing severely limited as well as inconsistent service to the Amarillo community, Borger is unable to fund the necessary maintenance and repairs to the station's transmission facilities. Despite the obvious need to return KEYU to full power operations, Assignors do not have the financial ability to make the necessary repairs. This fact alone demonstrates that KEYU is a "failing," if not a "failed" station.

In addition to not having the funds to cover the most basic station needs, Assignors have not been able to invest funds in employees or programming for the station since the bankruptcy filing. Without the resources to engage in community outreach, produce and broadcast local programming or promote itself generally, KEYU has struggled to find an audience and compete with other stations in the market.

If the sale to Midessa is not consummated, Assignors may be forced to cease KEYU's operations completely. As the Commission is aware, Equity already has ceased operations at a large number of television stations and surrendered their licenses to the FCC for cancellation, including the authorizations for full-power, full service television stations affiliated with the Fox network in Montana.

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6 *Banks-Boise, Inc.*, 24 FCC Rcd 401, 403 n. 9 (Video Division 2009).

The consistent negative cash flow and financial hardship experienced by KEYU confirms that the proposed acquisition of KEYU by Midessa fully satisfies the second criterion of the "failing" station waiver standard. [7]

C. Midessa's Ownership of KEYU Would Produce Tangible and Verifiable Public Interest Benefits.

Midessa's ownership of KEYU would result in important tangible and verifiable enhancements to KEYU's service to the Amarillo market that are more than sufficient to outweigh any potential harm to competition and diversity. Most importantly, Midessa would spend significant sums to restore KEYU to full service.

As noted above, due to equipment failures, KEYU is currently operating with reduced power, therefore drastically underserving the population that it is authorized to serve. Assignors do not have the cash on hand to make the repairs necessary to restore KEYU to full authorized operations. Midessa, however, has the financial resources and manpower needed to make the repairs necessary to return KEYU to full power, and thus increase service to the Amarillo community.[8] In addition, Midessa would make upgrades across the board to KEYU's equipment. These facilities would provide KEYU with a better, more consistent on-air broadcast picture and signal.

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[7] *See KWBA(TV)*, 23 FCC Rcd 8594, 8595-96 (Video Division 2008) (a "worsening financial posture [that] has hampered the ability of the current licensee to provide more than minimal public interest benefits" is evidence of poor financial condition); *Hispanic Keys Broadcasting, Inc.*, 19 FCC Rcd 4603, 4606 (Media Bureau 2004) (station unable to maintain its transmission equipment due to insufficient funds); *Pappas Telecasting of the Carolinas*, 17 FCC Rcd 842, 844 (Mass Media Bureau 2002) (operation at extremely low power provided as evidence of a station's poor financial condition).

[8] As previously noted by the FCC, expedited and improved DTV service is a demonstrable public interest benefit. *See Review of the Commission's Regulations Governing Television Broadcasting*, 16 FCC Rcd 1067, 1077-78 (2001).

Beyond restoring KEYU's technical facilities and markedly improving its coverage area, Midessa is committed to increasing KEYU's public service to the community. Most importantly, KEYU would have access to KFDA-TV's production facilities. For the first time in the history of KEYU, the station would be able to produce and broadcast local programs. Some of the additional improvements in public service that would result from Midessa's ownership of KEYU include:

- Borger currently maintains a minimal staff presence – enough to maintain the *status quo* during the bankruptcy proceedings. Midessa would staff KEYU with sufficient employees to improve programming and responsiveness to the local community. [9]
- Due to financial constraints, KEYU does not offer local news and weather programming or have the capability to monitor weather events. With the resources of KFDA-TV, KEYU would be able to provide its viewers with important news and weather alerts.[10]
- Midessa and Panhandle commit to maintain the separate network affiliations for KFDA-TV and KEYU.[11]

Thus, the proposed acquisition of KEYU by Midessa satisfies the third criterion of the "failing" station waiver, because, as shown above, it would produce tangible and verifiable benefits to the public. Midessa would restore KEYU to full power operations and would provide a consistent and reliable signal throughout KEYU's service area, including its city of license. In addition, Midessa would provide KEYU with complete local production facilities.

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[9] The FCC has recognized that allowing a failing station to be operated by a stronger station in the market can result in improved facilities and programming, which benefits the public interest. *See Local Ownership Order*, 14 FCC Rcd at 12939; *Banks-Boise, Inc.*, 24 FCC Rcd at 6; *KWBA(TV)*, 23 FCC Rcd at 8597; *Minden Television Company, LLC*, DA 09-1731 at 3.

[10] The FCC has previously cited improved local weather and emergency announcement capabilities as an example of a public interest benefit. *WBUI(TV)*, 22 FCC Rcd 16852, 16854 (Media Bureau 2007).

[11] The FCC has recognized that an assignee's commitment to maintain a failing station's separate affiliation constitutes another public interest benefit. *See KWBA(TV)*, 23 FCC Rcd at 8596; *KSCW(TV)*, 22 FCC Rcd 11845, 11847 (Media Bureau 2007); *WBUI(TV)*, 22 FCC Rcd at 16854.

D. An In-Market Buyer Is The Only Reasonably Available Candidate For KEYU.

Assignors have made multiple attempts to sell KEYU. Assignors, in fact, contracted to sell KEYU to Luken Communications, LLC ("Luken") in 2008. This transaction was approved by the FCC, FCC File No. BALCT - 20080819AAX, and Assignors were ready to proceed to closing. Luken, however, refused to close that transaction.[12] Assignors also included KEYU in a list of Equity stations offered for sale at a public auction conducted earlier this year. KEYU did not attract any bidders, and, as a result, Equity was forced to pull KEYU from the auction.[13]

The attached declaration of Gregory Guy, an experienced station broker at Patrick Communications, LLC ("Patrick"), demonstrates that an in-market buyer is the only reasonably available candidate willing and able to acquire and operate KEYU. Mr. Guy explains that Patrick conducted broad outreach to out-of-market entities. Only one entity expressed interest in KEYU, and the offered price was well below the station's appraised value. Eventually, Patrick concluded that Borger had no reasonable prospect of finding a qualified out-of-market purchaser. Given the absence of a viable out-of-market purchaser, Patrick approached station owners in the Amarillo market, and an agreement with Midessa ensued. As Mr. Guy concludes, "it is the considered judgment of Patrick that, despite an extensive marketing process, including significant outreach to prospective out-of-market buyers, the only potential bona fide purchaser of KEYU is an in-market buyer."[14]

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[12] Attachment C, Declaration of Gregory Guy ("Patrick Declaration"), at 1.

[13] *Id*.

[14] Patrick Declaration at 2.

The Commission has made clear that the presumption that a failing station waiver would be in the public interest rests on a showing that "no out-of-market buyer is willing to operate the station, and that sale to such a buyer would result in an artificially depressed price."[15] As the Patrick Declaration demonstrates, an in-market buyer is the only reasonably available candidate to acquire KEYU and restore its service to the Amarillo community, thus satisfying the fourth criterion of the "failing" station waiver standard.

III. Conclusion.

As the Commission concluded in adopting its failing station waiver policy, "[p]ermitting such stations to merge should pose minimal harm to our diversity and competition goals, since their financial situation typically hampers their ability to be a viable 'voice' in the market."[16] Here, KEYU's poor ratings, poor financial performance, bankruptcy, and significantly reduced level of local service prevent Assignors from making the investments necessary to make KEYU a viable station. Midessa's acquisition of the station, on the other hand, would allow KEYU to return to full power and again provide over-the-air programming to viewers in the Amarillo DMA, in addition to new local news and weather updates. The transaction, therefore, would achieve precisely what the Commission intended in adopting its "failing" station waiver policy. Thus, the public interest would be well served by granting a waiver of the local television ownership rule.

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[15] *See Review of the Commission's Regulations Governing Television Broadcasting*, 16 FCC Rcd at 1076.

[16] *See Local Ownership Order*, 14 FCC Rcd at 12938-39.

ATTACHMENT A:

DECLARATION OF KIM KELLY, CHIEF RESTRUCTURING OFFICER OF BORGER BROADCASTING, INC.

DECLARATION OF KIM KELLY

I, Kim Kelly, do hereby declare under penalty of perjury that the following is true and correct to the best of my knowledge, information and belief:

1. I am Chief Restructuring Officer of Borger Broadcasting, Inc. ("Borger Broadcasting").

2. I understand that this Declaration, which provides detailed information on the ratings performance and financial condition of KEYU, will be provided to the Federal Communications Commission ("FCC") in support of a request for a "failing" station waiver of the FCC's multiple ownership rules, in connection with an application for consent to assign the license of KEYU from Borger Broadcasting, Inc. to Midessa Broadcasting, L.P. ("Midessa").

3. KEYU serves the 131st ranked Amarillo, Texas DMA. The station went on the air in late 2004 or early 2005 as a digital-only station. KEYU is not, and has never been, one of the top four ranked stations in the Amarillo DMA.

4. The attached financial information in Attachment A-1 was prepared by Glenn Charlesworth, the former Chief Accounting Officer of Borger Broadcasting. The information provided in the Exhibit accurately represents the financial condition of KEYU, except that Attachment A-1 does not include the allocable costs of servicing Equity's debt. The Statements of Operations at Attachment A-1 were compiled using broadcasting industry standards.

5. The station's poor financial condition is demonstrated by its persistent negative cash flow. In fact, KEYU has never generated a positive cash flow in its existence. As shown in Attachment A-1, KEYU has suffered significant negative cash flow over the past three years, even without an allocation of the financing costs:

Cash Flow for KEYU

Year	Cash Flow
2006	(168,429)
2007	(138,460)
2008	(46,518)

In short, the station has suffered an average negative cash flow of more than $115,000 per year over the past three years.

6. The station has also suffered significant operating losses over the same period, as also reflected on Attachment A-1:

Net Losses for KEYU

Year	Losses
2006	455,381
2007	364,700
2008	299,158

7. The losses the station suffered in 2008 were lower than previous levels due to significant cost cuts in anticipation of a possible bankruptcy filing.

8. Borger Broadcasting filed a petition for voluntary Chapter 11 bankruptcy protection in the United States Bankruptcy Court, Eastern District of Arkansas (the "Bankruptcy Court"), on December 16, 2008. This followed the filing of a petition by Borger Broadcasting's parent company, Equity Media Holdings Corporation, on December 8, 2008. Subsequently, the companies have proceeded expeditiously to attempt to liquidate all of their assets pursuant to the approval of the Bankruptcy Court.

9. A separate declaration from Gregory Guy, Managing Partner of Patrick Communications, LLC, details the extensive efforts to sell KEYU. Mr. Guy explains the reasons his firm and Borger Broadcasting turned to an in-market buyer as the only available prospect to acquire KEYU.

Executed on this 15 day of October, 2009.

Kim Kelly

Attachment A-1:
Statements of Operations, KEYU

KEYU
Amarillo

Borger Broadcasting
Statement of Operations (unaudited)
For the Periods Ending in Year 2006

		Actual JAN	Actual FEB	Actual MAR	Actual APR	Actual MAY	Actual JUN	Actual JUL	Actual AUG	Actual SEP	Actual OCT	Actual NOV	Actual DEC	TOTAL
	Broadcast Revenue													
	Spot Revenue													
40000	Local/Direct Sales	$ 14,601	$ 20,076	$ 27,949	$ 25,461	$ 35,549	$ 25,130	$ 27,811	$ 22,535	$ 25,498	$ 22,065	$ 28,101	$ 38,275	$ 313,051
40700	Local Agency	21,044	5,179	14,341	17,027	14,878	11,833	34,385	11,760	12,712	10,348	8,033	15,548	177,089
sub	Local Sales - Other	-	-	-	-	-	-	-	-	-	-	-	-	-
41000	Regional Sales	1,069	1,104	2,592	986	1,517	1,023	918	662	1,211	1,295	406	571	13,354
41500	National Agency	25,545	24,413	20,569	35,950	40,078	43,065	68,899	41,236	21,181	17,705	26,549	70,500	435,690
42000	National Paid Programming	-	-	-	-	-	-	-	-	-	-	-	-	-
43000	Political Sales	-	-	-	-	-	-	-	-	-	-	-	-	-
44000	Time Brokerage Income	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Spot Revenue - Cash	**62,259**	**50,772**	**65,452**	**79,423**	**92,022**	**81,051**	**132,013**	**76,193**	**60,602**	**51,413**	**63,088**	**124,895**	**939,184**
sub	**Total Other Broadcast Revenue**	-	-	-	-	-	-	-	-	-	-	150	-	150
	Gross Broadcast Revenue - Cash	**62,259**	**50,772**	**65,452**	**79,423**	**92,022**	**81,051**	**132,013**	**76,193**	**60,602**	**51,413**	**63,238**	**124,895**	**939,334**
	Agency Commissions & Fees	10,367	7,786	8,834	13,150	14,103	13,879	24,390	13,312	5,689	5,718	8,646	21,982	147,855
	Net Broadcast Revenues	**51,893**	**42,986**	**56,618**	**66,274**	**77,918**	**67,172**	**107,623**	**62,881**	**54,913**	**45,696**	**54,593**	**102,913**	**791,479**
	Operating Expenses													
60000	Labor Cost-Management	6,018	5,266	5,830	7,446	5,830	9,103	5,830	5,830	376	5,830	5,642	5,830	68,830
60100	Labor Cost-Other	22,778	21,278	24,850	5,503	24,552	39,257	25,374	22,999	24,606	33,353	31,094	30,963	306,606
60200	Commissions Expense	-	-	-	-	-	(5,266)	-	-	5,266	-	-	-	-
60400	Employee Benefits	4,300	4,133	4,485	4,358	5,000	5,562	5,403	4,341	4,021	4,207	4,508	4,234	54,553
sub	Labor - Other Costs	-	-	-	-	2,925	-	-	1,688	-	-	-	-	4,613
60300	Contract Labor	-	373	-	180	-	50	611	2,755	3,611	1,611	2,668	2,156	14,016
62000	Rent Expense-Office	2,952	2,952	2,952	2,952	4,814	3,023	3,023	3,023	3,023	3,023	3,023	3,023	37,781
62100	Rent Expense-Site/Tower	4,808	4,808	4,808	4,808	4,834	4,973	4,973	4,973	4,973	4,973	4,973	4,973	58,874
62200	Rent Expense-Equipment	-	(145)	-	-	-	-	-	-	-	-	-	-	(145)
sub	Telephone & Utilities	1,265	1,052	1,204	2,505	1,839	1,717	1,207	1,389	1,171	4,288	1,758	1,830	21,225
65000	Office Supplies	53	1,660	398	424	309	143	1,174	918	616	1,861	1,231	1,553	10,339
66000	Printing	-	-	-	135	103	20	-	-	11	72	-	-	341
66700	Postage & Mailing Services	29	-	-	18	2	-	-	-	-	-	-	-	48
66800	Freight & Overnight Services	72	407	163	238	336	544	375	256	461	186	582	268	3,889
68500	Computer Expense	400	400	400	400	400	400	400	400	985	484	467	430	5,565
63000	Office Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
sub	Program Costs	-	-	-	167	42	292	117	-	-	-	-	-	617
68200	Insurance Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
sub	News & Weather Services	9,000	9,125	9,125	9,125	9,100	9,100	9,100	9,100	9,100	9,100	9,100	9,100	109,175
67300	Satellite Time	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	5,800	5,800	5,800	5,800	71,200
62300	LMA Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
62400	JSA Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
67500	Network/Affiliate Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
68000	Legal & Accounting	95	-	-	-	-	-	276	-	-	-	-	-	371
68100	Financial Reporting Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
68400	Consulting Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
sub	Advertising & Promotion	2,205	4,345	3,635	13,829	21,175	5,387	1,197	2,676	1,644	5,531	1,127	9,710	72,461
70700	Market Research	-	-	-	-	-	-	-	-	-	-	-	-	-
70500	Nielsen Ratings	-	-	-	-	-	-	-	-	-	-	-	-	-
sub	Travel	295	1,083	1,157	1,723	900	777	1,202	3,330	1,295	2,839	1,349	1,932	17,883
sub	Repairs & Maintenance	-	164	-	92	-	(758)	-	196	-	-	1,152	427	1,273
66400	Royalty Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
sub	License, Taxes & Fees	2,850	4,143	2,841	2,894	3,210	2,991	2,840	2,840	2,698	2,839	2,088	2,964	35,198
78600	Bad Debts Expense	1,000	1,000	1,000	2,000	2,000	2,000	2,000	2,004	2,136	2,000	5,000	35,000	57,140
sub	Other Expenses	-	342	482	1,293	10	134	98	1,141	1,763	205	1,559	1,026	8,053
	Total Operating Expenses	**64,119**	**68,385**	**69,330**	**66,091**	**93,379**	**85,450**	**71,198**	**75,860**	**73,556**	**88,202**	**83,121**	**121,216**	**959,908**
	Broadcast Cash Flow (BCF)	**(12,227)**	**(25,399)**	**(12,712)**	**183**	**(15,461)**	**(18,278)**	**36,425**	**(12,979)**	**(18,643)**	**(42,506)**	**(28,529)**	**(18,303)**	**(168,429)**

KEYU
Amarillo

Borger Broadcasting
Statement of Operations (unaudited)
For the Periods Ending in Year 2006

		Actual JAN	Actual FEB	Actual MAR	Actual APR	Actual MAY	Actual JUN	Actual JUL	Actual AUG	Actual SEP	Actual OCT	Actual NOV	Actual DEC	TOTAL
	Reconcile to Net Income (Loss)													
66300	Syndicated Films	-	-	-	-	-	-	-	-	-	-	-	-	-
	Programming Payments													
61000	Share Based Compensation	-	-	-	-	-	-	-	-	-	-	-	-	-
76100	Impairment Charge	-	-	-	-	-	-	-	-	-	-	-	-	-
76200	Depreciation Expense	(16,173)	(16,173)	(16,173)	(25,943)	(14,236)	(18,085)	(18,003)	(27,265)	(8,923)	(18,049)	(18,970)	(19,491)	(217,485)
76400	Amortization Expense	(152)	(152)	(152)	(426)	(220)	(220)	(220)	(220)	(220)	(220)	(220)	(220)	(2,642)
78100	Trade Expense - Programming	-	(2,909)	(729)	(6,085)	145	(12,185)	-	0	(600)	-	-	(3,000)	(25,363)
78150	Trade Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
78500	Barter/Film Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
47000	Rent Income	-	-	-	-	-	-	-	-	-	-	-	-	-
47500	Management Fee Income	-	-	-	-	-	-	-	-	-	-	-	-	-
48000	Interest Income	-	-	-	-	-	-	-	-	-	-	-	-	-
49000	Sports Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
80000	Gain/Loss - Asset Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
80300	Income (Loss) - Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-
80900	Other Income	-	-	-	-	-	-	-	25	150	25	-	25	225
78000	Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
73000	Sports Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
80200	Casualty Gain (Loss)	-	-	-	-	-	-	-	-	-	-	-	-	-
90000	Corporate Income Tax	-	-	-	-	-	-	-	-	-	-	-	-	-
90100	Unrealized Loss on Securities	-	-	-	-	-	-	-	-	-	-	-	-	-
90900	Other Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
79000	Management Fees - Royal Palm	-	-	-	-	-	-	-	-	-	-	-	-	-
79100	Management Fees	(2,456)	(2,090)	(2,719)	(10,136)	(5,632)	(5,078)	(7,616)	(4,811)	(4,054)	(3,622)	(4,216)	(7,274)	(59,705)
79200	Trustee Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
66050	Clerical Expense-Bankruptcy- -	-	-	-	-	-	-	-	-	-	-	-	-	-
68005	Legal&Acct-Bankruptcy- -	-	-	-	-	-	-	-	-	-	-	-	-	-
68405	Consulting-Bankruptcy- -	-	-	-	-	-	-	-	-	-	-	-	-	-
72005	Travel-Bankruptcy- -	-	-	-	-	-	-	-	-	-	-	-	-	-
46000	Trade Revenue - Programming	-	(1,623)	329	3,377	4,525	5,046	-	920	1,175	1,200	-	3,070	18,019
46100	Trade Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
48500	Barter/ Film Income	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Non BCF Revenue & (Expense	(18,781)	(22,947)	(19,444)	(39,212)	(15,419)	(30,522)	(25,839)	(31,352)	(12,472)	(20,666)	(23,406)	(26,890)	(286,952)
	Net Income (Loss)	(31,007)	(48,346)	(32,156)	(39,030)	(30,880)	(48,800)	10,586	(44,331)	(31,115)	(63,173)	(51,935)	(45,194)	(455,381)

KEYU
Amarillo

Borger Broadcasting
Statement of Operations (unaudited)
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		Actual JAN	Actual FEB	Actual MAR	Actual APR	Actual MAY	Actual JUN	Actual JUL	Actual AUG	Actual SEP	Actual OCT	Actual NOV	Actual DEC	TOTAL
	Broadcast Revenue													
	Spot Revenue													
40000	Local/Direct Sales	$ 37,131	$ 36,763	$ 39,375	$ 29,021	$ 39,915	$ 20,535	$ 28,496	$ 21,523	$ 18,008	$ 17,786	$ 14,995	$ 18,008	$ 321,556
40700	Local Agency	9,899	13,497	7,677	11,664	9,879	11,682	22,212	7,327	5,570	17,580	15,520	11,889	144,396
sub	Local Sales - Other	-	-	-	-	-	-	-	-	-	-	-	-	-
41000	Regional Sales	1,280	2,885	570	321	1,415	2,016	2,016	1,792	1,062	767	1,471	733	16,328
41500	National Agency	24,940	21,576	24,640	28,130	41,568	27,152	63,712	50,539	56,125	21,050	21,313	44,300	425,045
42000	National Paid Programming	-	-	-	-	2,000	-	-	-	-	-	-	-	2,000
43000	Political Sales	-	-	-	-	-	-	-	-	-	-	-	-	-
44000	Time Brokerage Income	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Spot Revenue - Cash	**73,250**	**74,721**	**72,263**	**69,136**	**94,777**	**61,385**	**116,436**	**81,181**	**80,765**	**57,182**	**53,299**	**74,930**	**909,326**
sub	**Total Other Broadcast Revenue**	-	-	-	-	2,100	740	2,450	-	-	-	-	-	5,290
	Gross Broadcast Revenue - Cash	**73,250**	**74,721**	**72,263**	**69,136**	**96,877**	**62,125**	**118,886**	**81,181**	**80,765**	**57,182**	**53,299**	**74,930**	**914,616**
	Agency Commissions & Fees	8,178	6,525	9,420	10,310	11,676	10,857	21,000	15,226	19,214	8,484	8,098	15,129	144,118
	Net Broadcast Revenues	**65,072**	**68,196**	**62,842**	**58,826**	**85,201**	**51,268**	**97,886**	**65,955**	**61,550**	**48,699**	**45,201**	**59,802**	**770,497**
	Operating Expenses													
60000	Labor Cost-Management	7,027	9,801	5,978	5,418	6,874	5,495	5,419	3,960	(1,528)	-	5,923	5,067	59,435
60100	Labor Cost-Other	22,594	20,307	30,424	23,323	23,953	19,682	18,184	21,442	22,326	21,489	20,677	30,720	275,121
60200	Commissions Expense	-	-	-	-	-	-	4,141	-	-	1,703	258	-	6,101
60400	Employee Benefits	4,540	4,433	5,035	4,041	4,274	3,415	3,504	3,660	3,353	3,334	2,895	4,655	47,139
sub	Labor - Other Costs	-	-	-	-	-	-	-	-	-	-	-	-	-
60300	Contract Labor	542	650	224	454	368	892	693	243	554	360	814	210	6,006
62000	Rent Expense-Office	2,855	2,855	2,855	3,140	3,080	2,855	2,855	2,950	2,928	2,921	2,921	2,921	35,135
62100	Rent Expense-Site/Tower	4,780	4,780	4,780	4,780	4,806	4,944	4,944	4,944	4,944	4,944	4,944	4,944	58,534
62200	Rent Expense-Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
sub	Telephone & Utilities	1,386	1,962	1,252	2,774	1,267	1,462	1,164	1,510	1,807	2,718	2,811	3,932	24,046
65000	Office Supplies	305	1,297	476	1,146	1,263	804	474	1,356	312	354	386	1,439	9,612
66000	Printing	-	-	-	-	224	-	-	74	-	109	-	-	406
66700	Postage & Mailing Services	-	-	-	-	30	-	-	-	-	-	12	-	42
66800	Freight & Overnight Services	228	319	429	378	179	322	310	365	66	258	363	611	3,828
68500	Computer Expense	456	431	1,130	430	1,271	553	553	583	556	639	553	553	7,707
63000	Office Equipment	-	-	-	-	-	-	-	859	-	-	-	-	859
sub	Program Costs	500	-	498	-	9	-	-	-	11	4	-	-	1,021
68200	Insurance Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
sub	News & Weather Services	9,100	9,105	8,605	8,605	8,605	8,604	7,104	7,104	7,104	7,104	7,104	7,104	95,248
67300	Satellite Time	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	72,000
62300	LMA Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
62400	JSA Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
67500	Network/Affiliate Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
68000	Legal & Accounting	-	-	-	-	-	144	-	-	-	-	-	-	144
68100	Financial Reporting Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
68400	Consulting Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
sub	Advertising & Promotion	1,488	978	6,449	15,250	16,150	16,301	3,070	4,538	1,153	1,561	5,493	1,857	74,285
70700	Market Research	-	-	-	-	-	-	-	-	-	-	-	-	-
70500	Nielsen Ratings	-	-	-	-	1,443	1,403	1,403	1,869	1,403	1,424	1,872	1,403	12,217
sub	Travel	302	632	3,519	1,770	2,399	3,561	2,359	2,017	3,090	2,105	1,001	5,176	27,931
sub	Repairs & Maintenance	18	-	-	256	-	-	-	892	18	22	367	310	1,884
66400	Royalty Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
sub	License, Taxes & Fees	2,916	2,979	2,938	3,862	2,889	2,889	2,889	2,919	2,487	2,867	2,867	2,993	35,493
78600	Bad Debts Expense	3,500	3,500	3,500	9,145	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	47,645
sub	Other Expenses	267	698	517	225	695	1,718	309	2,111	384	(53)	97	152	7,118
	Total Operating Expenses	**68,804**	**70,726**	**84,609**	**90,994**	**89,278**	**84,542**	**68,874**	**72,895**	**60,468**	**63,361**	**70,859**	**83,546**	**908,958**
	Broadcast Cash Flow (BCF)	**(3,732)**	**(2,530)**	**(21,767)**	**(32,168)**	**(4,077)**	**(33,274)**	**29,012**	**(6,940)**	**1,082**	**(14,663)**	**(25,658)**	**(23,745)**	**(138,460)**

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Borger Broadcasting
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		Actual JAN	Actual FEB	Actual MAR	Actual APR	Actual MAY	Actual JUN	Actual JUL	Actual AUG	Actual SEP	Actual OCT	Actual NOV	Actual DEC	TOTAL
	Reconcile to Net Income (Loss)													
66300	Syndicated Films	-	-	-	-	-	-	-	-	-	-	-	-	-
	Programming Payments													
61000	Share Based Compensation	-	-	-	-	-	-	-	-	-	-	-	-	-
76100	Impairment Charge	-	-	-	-	-	-	-	-	-	-	-	-	-
76200	Depreciation Expense	(17,584)	(17,584)	(19,377)	(18,348)	(18,504)	(18,504)	(18,621)	(11,430)	(25,992)	(19,213)	(19,655)	(15,232)	(220,044)
76400	Amortization Expense	(220)	(220)	(220)	(220)	-	-	-	-	-	-	-	-	(881)
78100	Trade Expense - Programming	-	43	(43)	-	-	-	-	-	-	-	-	-	-
78150	Trade Expense	-	-	(16,900)	-	-	(29,135)	600	(6,100)	(22,251)	(1,327)	-	-	(75,112)
78500	Barter/Film Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
47000	Rent Income	-	-	-	-	-	-	-	-	-	-	-	-	-
47500	Management Fee Income	-	-	-	-	-	-	-	-	-	-	-	-	-
48000	Interest Income	-	-	-	-	-	-	-	-	-	-	-	-	-
49000	Sports Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
80000	Gain/Loss - Asset Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
80300	Income (Loss) - Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-
80900	Other Income	-	-	-	25	25	25	-	25	-	1,140	-	-	1,240
78000	Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
73000	Sports Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
80200	Casualty Gain (Loss)	-	-	-	-	-	-	-	-	-	-	-	-	-
90000	Corporate Income Tax	-	-	-	-	-	-	-	-	-	-	-	-	-
90100	Unrealized Loss on Securities	-	-	-	-	-	-	-	-	-	-	-	-	-
90900	Other Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
79000	Management Fees - Royal Palm	-	-	-	-	-	-	-	-	-	-	-	-	-
79100	Management Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
79200	Trustee Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
66050	Clerical Expense-Bankruptcy- -	-	-	-	-	-	-	-	-	-	-	-	-	-
68005	Legal&Acct-Bankruptcy- -	-	-	-	-	-	-	-	-	-	-	-	-	-
68405	Consulting-Bankruptcy- -	-	-	-	-	-	-	-	-	-	-	-	-	-
72005	Travel-Bankruptcy- -	-	-	-	-	-	-	-	-	-	-	-	-	-
46000	Trade Revenue - Programming	-	-	-	-	-	-	-	-	-	-	-	-	-
46100	Trade Revenue	2,655	4,314	4,485	4,263	11,411	6,380	1,820	8,325	22,213	515	1,697	480	68,557
48500	Barter/ Film Income	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Non BCF Revenue & (Expens	(15,149)	(13,448)	(32,055)	(14,280)	(7,068)	(41,234)	(16,201)	(9,180)	(26,030)	(18,885)	(17,958)	(14,752)	(226,240)
	Net Income (Loss)	(18,882)	(15,978)	(53,821)	(46,448)	(11,145)	(74,508)	12,811	(16,121)	(24,948)	(33,548)	(43,616)	(38,497)	(364,700)

Borger Broadcasting
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	KEYU													
	Amarillo													
		Actual JAN	**Actual FEB**	**Actual MAR**	**Actual APR**	**Actual MAY**	**Actual JUN**	**Actual JUL**	**Actual AUG**	**Actual SEP**	**Actual OCT**	**Actual NOV**	**Actual DEC**	**TOTAL**
	Broadcast Revenue													
	Spot Revenue													
40000	Local/Direct Sales	$ 11,502	$ 22,274	$ 11,041	$ 18,763	$ 18,565	$ 19,555	$ 15,373	$ 16,553	$ 18,046	$ 12,354	$ 7,014	$ 8,285	$ 179,325
40700	Local Agency	10,350	24,406	24,477	8,156	5,375	2,714	17,635	8,213	6,772	14,244	2,561	4,924	129,825
sub	Local Sales - Other	-	-	-	-	-	-	-	-	-	-	-	-	-
41000	Regional Sales	1,385	1,163	726	3,515	2,640	1,442	617	457	1,065	384	3,090	1,422	17,906
41500	National Agency	27,242	65,463	2,272	32,679	41,430	45,103	46,814	43,671	51,210	42,658	21,525	55,725	475,793
42000	National Paid Programming	-	10	-	-	-	-	-	-	-	-	549	-	559
43000	Political Sales	-	15,730	33,130	-	-	-	-	-	-	-	-	-	48,860
44000	Time Brokerage Income	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Spot Revenue - Cash	**50,478**	**129,045**	**71,646**	**63,113**	**68,010**	**68,813**	**80,439**	**68,895**	**77,094**	**69,641**	**34,740**	**70,356**	**852,268**
sub	**Total Other Broadcast Revenue**	-	-	-	-	5,000	-	-	-	-	-	-	-	5,000
	Gross Broadcast Revenue - Cash	**50,478**	**129,045**	**71,646**	**63,113**	**73,010**	**68,813**	**80,439**	**68,895**	**77,094**	**69,641**	**34,740**	**70,356**	**857,268**
	Agency Commissions & Fees	8,761	17,622	20,206	6,418	11,190	15,202	12,850	15,756	14,431	12,046	8,618	15,036	158,134
	Net Broadcast Revenues	**41,717**	**111,424**	**51,440**	**56,695**	**61,820**	**53,611**	**67,589**	**53,138**	**62,663**	**57,595**	**26,122**	**55,319**	**699,134**
	Operating Expenses													
60000	Labor Cost-Management	5,394	5,019	5,365	5,192	5,365	7,775	3,832	3,832	3,709	3,832	3,462	4,080	56,859
60100	Labor Cost-Other	31,447	26,999	21,817	20,747	28,886	16,916	13,724	15,441	11,249	9,752	8,674	10,255	215,908
60200	Commissions Expense	-	150	2,292	816	275	-	-	1,542	-	-	-	-	5,074
60400	Employee Benefits	5,036	4,784	3,787	4,142	4,531	4,273	3,335	2,365	2,825	1,683	2,161	2,135	41,057
sub	Labor - Other Costs	-	-	-	413	-	6,071	(1,071)	-	-	-	-	-	5,413
60300	Contract Labor	423	78	398	721	146	68	590	-	-	-	-	100	2,523
62000	Rent Expense-Office	3,093	3,093	3,093	4,269	3,072	3,075	3,374	3,374	3,374	3,374	3,374	1,741	38,304
62100	Rent Expense-Site/Tower	5,147	5,147	5,147	5,395	5,176	5,769	5,433	5,133	5,133	5,433	5,133	4,614	62,659
62200	Rent Expense-Equipment	-	35	-	32	35	-	-	-	-	-	-	-	102
sub	Telephone & Utilities	2,880	1,402	2,504	3,163	922	3,982	4,266	1,517	3,977	3,212	3,424	1,710	32,959
65000	Office Supplies	682	574	156	94	1,059	39	1,320	39	81	40	1,188	19	5,291
66000	Printing	-	53	-	-	-	-	-	-	-	183	-	-	236
66700	Postage & Mailing Services	-	10	43	-	-	-	-	-	-	-	-	-	53
66800	Freight & Overnight Services	216	333	313	145	548	622	197	172	117	110	79	41	2,893
68500	Computer Expense	553	574	549	553	559	559	582	711	559	536	467	559	6,760
63000	Office Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
sub	Program Costs	-	-	500	-	-	-	-	-	-	-	-	-	500
68200	Insurance Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
sub	News & Weather Services	9,454	9,639	9,719	9,719	9,719	1,826	109	182	182	182	364	-	51,097
67300	Satellite Time	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	14,000	14,000	-	82,000
62300	LMA Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
62400	JSA Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
67500	Network/Affiliate Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
68000	Legal & Accounting	-	-	-	-	2,328	-	150	150	-	(150)	-	-	2,478
68100	Financial Reporting Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
68400	Consulting Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
sub	Advertising & Promotion	1,500	2,120	1,550	1,500	1,779	1,500	1,500	182	182	182	182	182	12,358
70700	Market Research	-	-	-	-	-	-	-	69	-	-	-	-	69
70500	Nielsen Ratings	1,403	1,920	1,403	1,403	2,423	2,104	2,081	2,423	2,081	2,081	-	-	19,321
sub	Travel	2,722	3,734	1,242	1,160	1,385	1,106	1,084	1,586	1,394	1,159	1,835	864	19,272
sub	Repairs & Maintenance	674	41	22	22	-	22	112	35	838	304	22	75	2,167
66400	Royalty Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
sub	License, Taxes & Fees	2,921	2,931	2,872	2,991	5,709	7,566	(1,724)	1,360	1,774	1,365	2,330	2,331	32,426
78600	Bad Debts Expense	3,500	3,500	3,500	5,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	1,500	42,000
sub	Other Expenses	1,289	931	598	100	66	80	88	471	1,600	339	287	23	5,874
	Total Operating Expenses	**84,334**	**79,066**	**72,870**	**74,075**	**83,484**	**72,852**	**48,482**	**50,086**	**48,573**	**51,119**	**50,480**	**30,231**	**745,652**
	Broadcast Cash Flow (BCF)	**(42,616)**	**32,358**	**(21,430)**	**(17,380)**	**(21,664)**	**(19,241)**	**19,108**	**3,052**	**14,089**	**6,476**	**(24,358)**	**25,089**	**(46,518)**

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		Actual JAN	Actual FEB	Actual MAR	Actual APR	Actual MAY	Actual JUN	Actual JUL	Actual AUG	Actual SEP	Actual OCT	Actual NOV	Actual DEC	TOTAL
	Reconcile to Net Income (Loss)													
66300	Syndicated Films	-	-	-	-	-	-	-	-	-	-	-	-	-
	Programming Payments													
61000	Share Based Compensation	-	-	-	-	-	-	-	-	-	-	-	-	-
76100	Impairment Charge	-	-	-	-	-	-	-	-	-	-	-	(2,800)	(2,800)
76200	Depreciation Expense	(20,620)	(20,620)	(31,880)	(21,646)	(21,646)	(21,380)	(21,624)	(21,624)	(21,624)	(21,624)	(21,624)	(21,623)	(267,535)
76400	Amortization Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
78100	Trade Expense - Programming	-	-	-	-	-	-	-	-	-	-	-	-	-
78150	Trade Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
78500	Barter/Film Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
47000	Rent Income	-	-	-	-	-	-	-	-	-	-	-	-	-
47500	Management Fee Income	-	-	-	-	-	-	-	-	-	-	-	-	-
48000	Interest Income	-	-	-	-	-	-	-	-	-	-	-	-	-
49000	Sports Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
80000	Gain/Loss - Asset Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
80300	Income (Loss) - Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-
80900	Other Income	-	-	-	400	900	-	10,975	-	-	-	-	730	13,005
78000	Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
73000	Sports Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
80200	Casualty Gain (Loss)	-	-	-	-	-	-	-	-	-	-	-	-	-
90000	Corporate Income Tax	-	-	-	-	-	-	-	-	-	-	-	-	-
90100	Unrealized Loss on Securities	-	-	-	-	-	-	-	-	-	-	-	-	-
90900	Other Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
79000	Management Fees - Royal Palm	-	-	-	-	-	-	-	-	-	-	-	-	-
79100	Management Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
79200	Trustee Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
66050	Clerical Expense-Bankruptcy- -	-	-	-	-	-	-	-	-	-	-	-	-	-
68005	Legal&Acct-Bankruptcy- -	-	-	-	-	-	-	-	-	-	-	-	-	-
68405	Consulting-Bankruptcy- -	-	-	-	-	-	-	-	-	-	-	-	-	-
72005	Travel-Bankruptcy- -	-	-	-	-	-	-	-	-	-	-	-	-	-
46000	Trade Revenue - Programming	-	-	-	-	90	(90)	-	-	-	-	-	-	-
46100	Trade Revenue	60	435	465	450	(45)	525	-	2,800	-	-	-	-	4,690
48500	Barter/ Film Income	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Non BCF Revenue & (Expense)	(20,560)	(20,185)	(31,415)	(20,796)	(20,701)	(20,945)	(10,649)	(18,824)	(21,624)	(21,624)	(21,624)	(23,693)	(252,640)
	Net Income (Loss)	(63,177)	12,172	(52,845)	(38,176)	(42,365)	(40,186)	8,459	(15,772)	(7,535)	(15,148)	(45,982)	1,396	(299,158)

ATTACHMENT B:

Audience Share, KEYU
Mon-Sun 9am-12am

Year	Average Audience Share
February 2006	0.0
May 2006	0.0
July 2006	0.0
November 2006	0.0
February 2007	0.0
May 2007	1.1
July 2007	0.8
November 2007	2.2
February 2008	1.2
May 2008	2.2
July 2008	1.5
November 2008	1.1
March 2009	1.3
May 2009	1.8
July 2009	1.1

Source: Nielsen Media Research

ATTACHMENT C:

DECLARATION OF GREGORY GUY,
MANAGING PARTNER OF PATRICK COMMUNICATIONS, LLC

DECLARATION OF GREGORY GUY

I, Gregory Guy, do hereby declare under penalty of perjury that the following is true and correct to the best of my knowledge, information and belief:

1. I am Managing Partner of Patrick Communications, LLC ("Patrick Communications"), a media and brokerage consulting firm based in Maryland. Patrick Communications has provided full service to clients in the media brokerage business for more than fifteen years, and its four brokers have more than fifty combined years of experience in media brokerage. Over the last fifteen years, Patrick Communications has negotiated or appraised media transactions totaling more than $6.5 billion dollars.

2. As Managing Partner of Patrick Communications, I have extensive knowledge of the television industry in general, having worked as a media broker for the past ten years. I have both consulted for and appraised television stations for a variety of purposes, including acquisitions, divestitures, mergers, financing, and restructuring of debt. I have been personally involved in the acquisition or sale of one hundred and seventy broadcast stations, including stations in small, medium, and large markets. Prior to joining Patrick Communications, I worked as a Research Analyst for the National Association of Broadcasters.

3. In February 2008, Patrick Communications was retained by Equity Media Holdings Corporation and its subsidiary Borger Broadcasting, Inc. (together, "Equity") to undertake efforts to locate a qualified buyer for KEYU-DT, Borger, Texas.

4. Luken Communications, LLC ("Luken") was located as a potential purchaser, and Equity and Luken entered into an Asset Purchase Agreement for KEYU-DT in July 2008. This transaction was approved by the FCC, *See* FCC File No. BALCT-20080819AAX. Luken, however, refused to close the transaction.

5. Patrick Communications next included KEYU in the sale auction that it conducted for all of Equity's television stations on April 16, 2009. The auction of the stations was advertised in print media – including *Television Week* and *Broadcasting & Cable* and electronic media - including *Television Business Report* and *TVNewsday*. Patrick Communications also sent direct email solicitations to hundreds of existing television station owners and other potential purchasers advertising the auction. Despite the extensive marketing of the auction, no bidders or potential bidders expressed an interest in KEYU, and we therefore were forced to remove KEYU from the auction.

6. After the sale of KEYU to Luken failed to close and no bidders stepped forward for KEYU prior to the auction, Patrick Communications conducted a review of our regional and national television station marketplace contacts and went back to the marketplace to sell KEYU. We followed up with over twenty parties, including with parties who expressed interest prior to the auction as well as potential new buyers. It became clear from these efforts that KEYU did not represent a potentially attractive opportunity to the broadcast companies that Patrick Communications contacted. Specifically, only three groups requested and received additional

materials on the property. Of these parties, only one made an offer for the station. The offer was for a purchase price of One Hundred Thousand Dollars, significantly less than the independently appraised fair market value for the station. In light of its extensive marketing efforts, Patrick Communications concluded that it would be unable to obtain any reasonable offer for the station from an entity located outside the market.

7. Given the lack of bona fide interest in KEYU at the national and regional levels, Patrick Communications and Equity decided to pursue potential buyers in the Amarillo market. Patrick Communications contacted nine prospective in-market buyers, but only one made a proposal. That party was Midessa Broadcasting, L.P.

8. In light of these facts, it is the considered judgment of Patrick Communications that, despite an extensive marketing process, including significant outreach to prospective out-of-market buyers, the only potential bona fide purchaser of KEYU is an in-market buyer.

Executed on this 15th day of October, 2009.

Gregory J. Guy
Managing Partner
Patrick Communications, LLC