

Description of Transaction

By this and other concurrently-filed applications, Evening Post Industries, Inc. (“EPI”) requests the Commission’s consent to the concurrent (i) *pro forma* conversion of the EPI licensee subsidiaries listed on Exhibit A hereto (the “Licensees”) and of Cordillera Communications, Inc. (“Cordillera”), the direct corporate parent of the Licensees, from their current business forms into limited liability companies (the “LLC Conversions”); and (ii) *pro forma* distribution of certain preferred membership interests in Cordillera to EPI Preferred, LLC (“EPI Preferred”), a new, wholly-owned subsidiary of EPI (the “Reorganization”). Organizational charts reflecting the current and proposed structures are attached as Exhibit B. EPI is filing the instant applications as “assignment of license” applications to reflect the change in the names and business forms of the Licensees.

Upon the LLC Conversions, (i) the issued and outstanding shares of capital stock of the Licensees would be exchanged for limited liability membership interests, (ii) the issued and outstanding shares of capital stock of Cordillera would be exchanged for two classes of limited liability membership interests, preferred and common.¹ The LLC Conversions qualify for *pro forma* treatment because they involve no substantial change in the ownership or control of the Licensees. Currently, EPI controls and owns 100% of the capital stock of Cordillera, and Cordillera controls and owns 100% of the capital stock of the Licensees. Following the LLC Conversion, EPI will control and own 100% of the membership interests in Cordillera, and Cordillera will directly control and own 100% of the membership interests in the Licensees.

The LLC Conversions will occur substantially concurrently with the Reorganization. To accomplish the Reorganization, EPI will contribute 100% of the preferred membership interests in Cordillera to EPI Preferred and will retain 100% of the common membership interests in Cordillera. Like the LLC Conversion, 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 will own and control 100% of the membership interests in Cordillera directly. After the Reorganization, EPI will own and control 100% of the membership interests either directly or indirectly through EPI Preferred, its wholly owned subsidiary.

In connection with this transaction, the parties intend to enter into (i) agreements regarding organization and governance of the newly-created entities; and (ii) a financing agreement with their lender. 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 WLEX Communications, L.L.C. currently is a Kentucky limited liability company. To effect its conversion, a new South Carolina limited liability company named “WLEX Communications, LLC” will be created. The two entities will merge, with the South Carolina entity being the surviving entity.

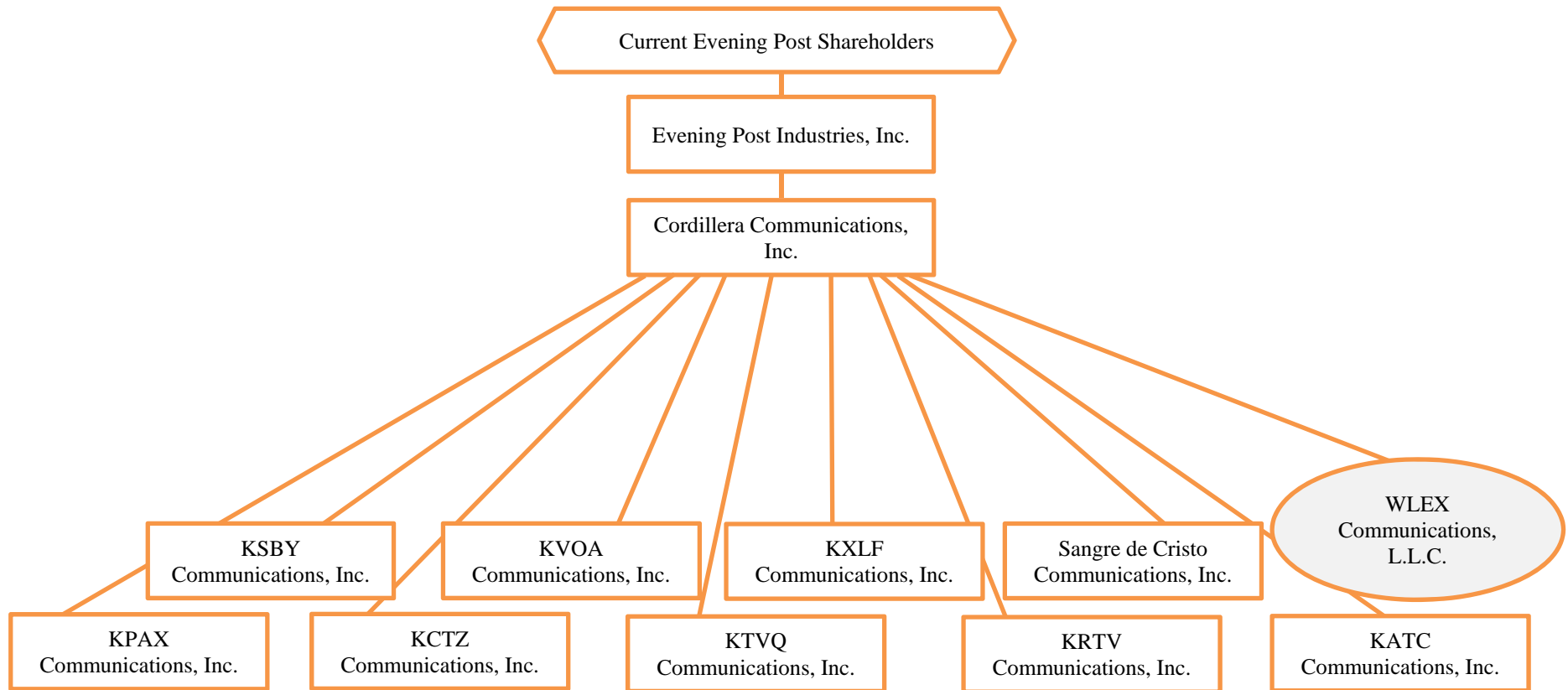
Exhibit A

Licensees

KSBY Communications, Inc.
KCTZ Communications, Inc.
KPAX Communications, Inc.
KVOA Communications, Inc.
KATC Communications, Inc.
KTVQ Communications, Inc.
KXLF Communications, Inc.
KRTV Communications, Inc.
Sangre de Cristo Communications, Inc.
WLEX Communications, L.L.C.

Exhibit B

Current Organizational Chart



KEY:



Exhibit B

Proposed Organizational Chart

