

**DESCRIPTION OF THE TRANSACTION / USE OF FCC FORM 316 /
AGREEMENT FOR TRANSFER OF STATION / OTHER AUTHORIZATIONS**

Mirage Media 2, LLC (the “Licensee”) is a California limited liability company. William J. Jaeger is the Managing Member and 100% owner of the Licensee. Under the Licensee’s Limited Liability Company Agreement, the Managing Member has sole voting control over the Licensee.¹

Pursuant to the proposed *pro forma* transaction,² William J. Jaeger will assign his interest in the Licensee to The Jaeger Trust, of which he is the trustee. In addition, The Donald Jaeger Revocable Trust (Donald Jaeger, trustee) and Bart Pearce will each become 30% (non-managing) Members of the Licensee.³ The changes in interests proposed in this *pro forma* transaction are summarized in the following table:

	Current Ownership			Proposed Ownership		
	Interest	% Votes	% Equity ⁴	Interest	% Votes	% Equity ⁴
William J. Jaeger	Managing Member	100%	100%			
The Jaeger Trust (William J. Jaeger, trustee)				Managing Member	100%	40%

¹ Certain major actions require a majority vote of the members, which must include the Managing Member, including the following: material changes in the character of the licensee’s business; amendment to the licensee’s Articles of Organization; merger or consolidation of the licensee with another person or entity; certain proceedings and actions related to the bankruptcy of the licensee; and any other activity which requires approval of not less than a majority of the licensee’s members under the California Corporations Code.

² See attached Membership Subscription Agreement and First Amendment to Operating Agreement. Certain proprietary information that is immaterial to the Commission’s evaluation of the proposed *pro forma* transfer has been redacted from the agreement. This information will be provided to the Commission upon request. The Licensee is not required to have a public inspection file.

³ William H. Jaeger, Don Jaeger, and Bart Pearce are all U.S. citizens. The address for these individuals is 1615 Orange Tree Lane; Suite 102; Redlands, CA 92374.

⁴ Equity plus debt.

	Current Ownership			Proposed Ownership		
	Interest	% Votes	% Equity ⁴	Interest	% Votes	% Equity ⁴
The Donald Jaeger Revocable Trust (Donald Jaeger, trustee)				Member	0%	30%
Bart Pearce				Member	0%	30%

Upon consummation of the proposed *pro forma* transaction, The Jaeger Trust, of which the William J. Jaeger is trustee, will be sole Managing Member of, and have sole voting control over, the Licensee. Accordingly, the proposed *pro forma* transaction involves transfer of less than a controlling interest in the Licensee, and use of FCC Form 316 is appropriate.

William J. Jaeger and Donald Jaeger have attributable interests in the following broadcast stations:

KAAA(AM), Kingman, AZ (Fac. ID No. 55492);
 KFLG(AM), Bullhead City, AZ (Fac. ID No. 65676);
 KFLG-FM, Kingman, AZ (Fac. ID No. 55495);
 KLUK(FM), Needles, CA (Fac. ID No. 8385);
 KNKK(FM), Needles, CA (Fac. ID No. 78087);
 KPSE-LP, Palm Springs, CA (Fac. ID No. 51660); and
 KZZZ(AM), Bullhead City, AZ (Fac. ID No. 8387).

MEMBERSHIP SUBSCRIPTION AGREEMENT

AND

FIRST AMENDMENT TO OPERATING AGREEMENT

This **Membership Subscription Agreement and First Amendment to Operating Agreement** (the “**Agreement**”) is entered into by and among: **Mirage Media 2, LLC**, a California limited liability company, (“**MM2**”); **William J. Jaeger**, individually and as the sole member and Manager of MM2, (“**WJJ**”); **William J. Jaeger**, as Trustee of The Jaeger Trust dated December 28, 2000, (the “**Trust**”); **Donald Jaeger**, as Trustee of The Donald Jaeger Revocable Trust dated July 27, 1998, (“**DJ**”); and **Bart Pearce**, an individual, (“**BP**”). DJ and BP are collectively referred to herein as the “**Subscribers**”. This Agreement is entered into and is to be effective on and as of January 1, 2007 (the “**Effective Date**”)

Recitals

- A.** MM2 is a limited liability company organized under the laws of the State of California and having its principal place of business at 1615 Orange Tree Lane, Suite 102, Redlands, California. The articles of MM2 were filed of record with the Secretary of the State of California on October 12, 2004.
- B.** On and as of October 12, 2004, WJJ in his capacity as sole member adopted an Operating Agreement for the operation of MM2.
- C.** At the Effective Date, WJJ is the sole member of MM2. WJJ is also the Manager of MM2 and, as such, manages the operations of MM2.
- D.** WJJ now wishes to assign his membership interest in MM2 to the Trust.
- E.** WJJ, as Manager of MM2, now wants to make provision for DJ and BP to be admitted to membership in MM2 on the terms and conditions set forth in this Agreement, and the Subscribers each wish to be admitted to membership in MM2 on that basis.

Operative Provisions

In consideration of the above recitals and of the representations, covenants, agreements, and conditions hereinafter set forth, all of which are operative provisions of this Agreement, the parties agree as follows:

1. **Condition Precedent.** MM2 is the holder of the television broadcast license for translator station KOTR-LP, Gonzales, California, (the “**Station**”) issued by the Federal Communications Commission (“**FCC**”), and MM2 operates the Station from its offices in Monterey, California. The consummation of the transactions contemplated by this Agreement is expressly conditioned upon the FCC granting its prior approval (the “**FCC Approval**”) of: (1) the transfer of the membership interest in MM2 by WJJ to the Trust (the “**Transfer**”), and (2) the admission of the Subscribers as members of MMS (the “**Admission**”). Neither the Transfer nor the Admission shall occur or be consummated until the FCC Approval is received. The parties agree to take all actions necessary to make application to the FCC for such FCC Approval, including, without limitation, the submission and filing of a completed FCC Form 345 “long-form” application seeking such approval along with such exhibits, schedules, data, and supplements thereto as the FCC may require.

2. **Transfer of Membership to Trust.** Upon the issuance of the FCC Approval, WJJ will be deemed to have assigned and transferred his membership interest in MM2 to the Trust.

3. **Admission of Subscribers as Members.**

3.1 Upon the issuance of the FCC Approval, and upon DJ’s delivery and contribution of the sum of [REDACTED] to MM2 as capital, DJ will be admitted to a 30% membership interest in MM2 in consideration for his capital contribution and for his acceptance of the obligation to loan monies to MM2 for the purpose of funding its operations and capital expenditures as provided in this **Section 3.1**. DJ has previously loaned funds to MM2 and is willing to loan additional funds as necessary. All funds which DJ has loaned and is yet to loan to MM2 will be treated as loans to MM2 and not as contributed capital. Such loans shall bear interest at such rate(s) as the Manager shall determine to be reasonable and will be evidenced by a promissory note or notes signed on behalf of MM2 by the Manager. Loans advanced by DJ to MM2 will, by their terms, be payable in whole or in part upon DJ’s written demand to MM2, but no such demand(s) for payment shall be made until December 31, 2012 or until a sale of MM2 or of substantially all of its operating assets shall have been consummated, whichever shall first occur.

3.2 BP has been involved in the management and operations of the Station and is willing to accept the obligation to continue to provide services to MM2 in consideration for a membership interest. Upon the issuance of the FCC Approval, and upon BP’s delivery and contribution of the sum of [REDACTED] to MM2 as capital, BP will be admitted to a 30% interest in MM2 in consideration for his capital contribution, for his past services to MM2, and for his acceptance of the obligation to continue to provide management services to MM2, in connection with its operation of the Station.

4. **Amendment to Operating Agreement.** Upon the issuance of the FCC Approval, this Agreement will be deemed to be an amendment to the Operating Agreement of MM2.

5. **Consummation of the Transfer.** Upon issuance of the FCC Approval, this Agreement will evidence and document for all purposes the transfer and assignment of WJJ's membership interest in MM2 to the Trust. WJJ, in his capacity as Trustee of the Trust, agrees to accept the Assignment and affirms that the Trust will then be a member of MM2 and will be bound by the terms and conditions of the Operating Agreement as amended by this Agreement.

6. **Consummation of the Admission.** Upon issuance of the FCC Approval, DJ and BP agree that this Agreement shall constitute the acceptance by each of them of their respective membership interests in MM2 and of the Operating Agreement as amended by this Agreement. DJ and BP agree thereupon to be bound by the Operating Agreement as members.

7. **Membership Interest.** Upon the consummation of the transactions contemplated by this Agreement, the membership percentages of all members of MM2 and their respective capital contributions will be as set forth on the attached and incorporated **Schedule A**.

8. **Affirmation of Outstanding Loans.** WJJ has, in the past, loaned monies to and paid expenditures on behalf of MM2 in connection with its formation and operations, and those funds loaned to the date of this Agreement total [REDACTED] and WJJ is willing to loan additional funds as necessary. The funds loaned by WJJ will continue to be deemed to be loans to MM2 and will bear interest at such rate(s) as the Manager shall determine to be reasonable. All funds which WJJ has loaned and is yet to loan to MM2 will be treated as loans to MM2 and not as contributed capital. Loans advanced by WJJ to MM2 will be payable in whole or in part upon WJJ's written demand to MM2, but no such demand(s) shall be made prior to December 31, 2012 or until a sale of MM2 or of substantially all of its operating assets shall have been consummated, whichever shall first occur.

9. **Choice of Law.** This Agreement shall be governed by and be construed in accordance with the laws of the State of California, without regard to that State's principles regarding choice of laws.

10. **Interpretation.** Should any provision of this Agreement require interpretation by a court of law, it is agreed by the parties that the court interpreting or construing this Agreement shall not apply a presumption that the terms of this Agreement shall be more strictly construed against one party by reason of the rule of construction that a document is to be construed more strictly against the party who by himself or through his agent prepared such document, it being agreed that the agents of all parties have participated in the preparation of this Agreement.

11. **Waiver.** No waiver of any term, provision, or condition of this Agreement in any one or more instances, shall be construed or be deemed to be a further or continuing waiver of any such term, provision, or condition of this Agreement, nor shall it be construed nor shall it constitute a waiver of any other term or provision of this Agreement. No waiver shall be effective unless written and signed by the party or parties making such waiver.

12. **Captions.** Paragraph titles or captions contained in this Agreement are included only as a matter of convenience and reference and in no way define, limit, extend, or describe the scope of this Agreement or the intent of any provision hereof.

13. **Conflicting Language.** To the extent that any term or provision of this Agreement conflicts with or cannot be reconciled with any term or provision of the Operating Agreement, the terms and provisions of this Agreement shall prevail and shall be controlling.

14. **Assignment.** No party hereto may assign this Agreement or any rights or remedies hereunder without the prior written consent of all of the parties hereto.

15. **Counterparts.** This Agreement, and any amendments hereto, may be executed in several counterparts, and all so executed shall constitute one and the same agreement binding upon all of the parties hereto, notwithstanding that all of the parties are not signatory to the same counterpart. Counterparts, including counterpart signature pages, delivered by facsimile transmission shall be binding upon the parties for all purposes.

16. **Incorporation and Integration.** This Agreement, together with all exhibits and schedules, if any, incorporated herein or attached hereto, constitutes the entire agreement among the parties with respect to the specific transactions and obligations addressed herein, superseding all negotiations, prior discussions, and written agreements. This Agreement may not be changed, modified, or amended, except by writing executed by all of the parties.

17. **Further Execution of Documents.** Each party agrees to execute and file and to join in the execution and filing of any and all agreements, consents or other documents reasonably necessary to effect the consummation of the transaction contemplated herein.

END OF AGREEMENT

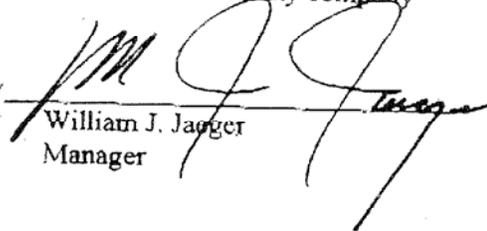
SIGNATURE PROVISIONS FOLLOW

This Agreement has been duly executed and delivered by the parties hereto as of the Effective Date.

"MM2"

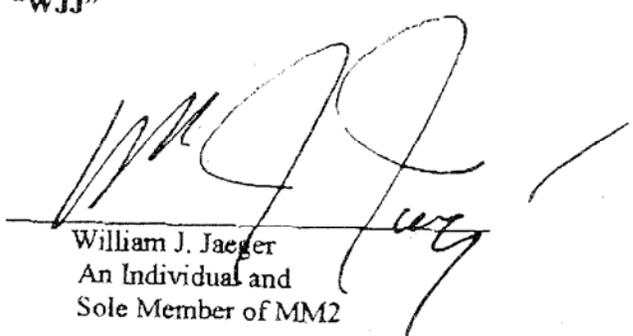
Mirage Media 2, LLC
a California limited liability company

By



William J. Jaeger
Manager

"WJJ"

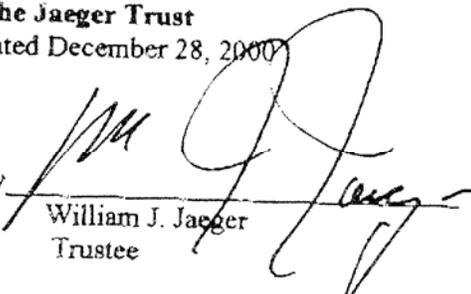


William J. Jaeger
An Individual and
Sole Member of MM2

"Trust"

The Jaeger Trust
dated December 28, 2000

By



William J. Jaeger
Trustee

"DJ"

The Donald Jaeger Revocable Trust
dated July 27, 1998

By

Donald Jaeger
Trustee

"BP"

Bart Pearce

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By _____
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Bart Pearce