

## SALE AND PURCHASE AGREEMENT

THIS SALE AND PURCHASE AGREEMENT (this "Agreement") is made as of December 1, 2011 between JLH Holdings LLC ("Seller") and James Ralph Houston II ("Buyer").

### Recitals

A. Seller owns all of the membership interests (the "Membership Interests") of Desert Television LLC and U-Dub Productions LLC, each a California limited liability company (each a "Company" and together the "Companies").

B. The Companies own and operate the following television broadcast stations (the "Stations") pursuant to certain authorizations issued by the Federal Communications Commission (the "FCC"):

KPSP-CD, Cathedral City, California  
KYAV-LP, Palm Springs, California

C. Pursuant to the terms and subject to the conditions set forth in this Agreement, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, the Membership Interests.

### Agreement

NOW, THEREFORE, taking the foregoing into account, and in consideration of the mutual covenants and agreements set forth herein, the parties, intending to be legally bound, hereby agree as follows:

#### ARTICLE 1: SALE AND PURCHASE

1.1. Sale and Purchase. On the terms and subject to the conditions hereof, at Closing (defined below) Seller shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase and acquire from Seller, the Membership Interests, free and clear of liens, claims and encumbrances ("Liens").

1.2. Purchase Price. Purchase Price. In consideration for the sale of the Membership Interests to Buyer, at Closing, Buyer shall pay Seller \$10,000,000 (the "Purchase Price"). In addition, Buyer shall pay Seller the amount, if any, by which the aggregate sales price received by Buyer from any disposition of the Membership Interests, or any assets owned by the Companies, in respect of sales occurring within one year of the Closing exceeds the Purchase Price, and such covenant shall survive Closing. Buyer shall, on Closing execute and deliver to Seller a Promissory Note in the amount of the Purchase Price in form acceptable to Seller. Buyer shall also, both on and after Closing, execute and deliver to Seller such real and personal property security instruments as Seller may request, provided always that no security shall be requested or granted which would violate the rules and regulations of the FCC.



1.3. Closing. The consummation of the sale and purchase of the Membership Interests provided for in this Agreement (the "Closing") shall take place within five (5) business days after the date of the FCC Consent pursuant to the FCC's initial order (or on such earlier day after such consent as Buyer and Seller may mutually agree), subject to the satisfaction or waiver of the conditions set forth in Articles 5 and 6 below. The date on which the Closing is to occur is referred to herein as the "Closing Date."

1.4. FCC Consent. Within five (5) business days of the date of this Agreement, Buyer and Seller shall file an application with the FCC (the "FCC Application") requesting FCC consent to the transfer of control of the FCC Licenses (defined below) to Buyer (the "FCC Consent"). Buyer and Seller shall diligently prosecute the FCC Application and otherwise use their best efforts to obtain the FCC Consent as soon as possible. Buyer and Seller shall notify each other of all documents filed with or received from any governmental agency with respect to this Agreement or the transactions contemplated hereby. Buyer and Seller shall furnish each other with such information and assistance as such the other may reasonably request in connection with their preparation of any governmental filing hereunder.

## ARTICLE 2: SELLER REPRESENTATIONS AND WARRANTIES

Seller makes the following representations and warranties to Buyer:

2.1. Organization. Seller is duly organized, validly existing and in good standing. Seller has the requisite power and authority to execute, deliver and perform this Agreement.

2.2. Authorization. The execution, delivery and performance of this Agreement by Seller has been duly authorized and approved by all necessary action of Seller and does not require any further authorization or consent of Seller. This Agreement is a legal, valid and binding agreement of Seller enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

2.3. No Conflicts. The execution, delivery and performance by Seller of this Agreement and the consummation by Seller of any of the transactions contemplated hereby does not conflict with any organizational documents of Seller or any law, judgment, order, or decree to which Seller is subject or, except for the FCC Consent, require the consent or approval of, or a filing by Seller with, any governmental or regulatory authority or any third party.

2.4. Membership Interests. The Membership Interests constitute all of the issued and outstanding interests in the Companies. Seller owns and holds all legal and beneficial right, title and interest in and to the Membership Interests, free and clear of Liens.

2.5. FCC Licenses. The Companies are the holder of the Stations' FCC licenses, permits and authorizations (the "FCC Licenses"). The FCC Licenses are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired.



2.6. No Finder. No broker, finder or other person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of Seller or any party acting on Seller's behalf.

### ARTICLE 3: BUYER REPRESENTATIONS AND WARRANTIES

Buyer hereby makes the following representations and warranties to Seller:

3.1. Organization. Buyer has the requisite power and authority to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby.

3.2. Authorization. The execution, delivery and performance of this Agreement has been duly authorized and approved by all necessary action of Buyer and does not require any further authorization or consent of Buyer. This Agreement is a legal, valid and binding agreement of Buyer enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

3.3. No Conflicts. The execution, delivery and performance by Buyer of this Agreement and the consummation by Buyer of any of the transactions contemplated hereby does not conflict with any law, judgment, order or decree to which Buyer is subject, or require the consent or approval of, or a filing by Buyer with, any governmental or regulatory authority or any third party, except the FCC Consent.

3.4. Qualification. Buyer is legally, financially and otherwise qualified to own and control the Stations under the Communications Act and the rules, regulations and policies of the FCC.

3.5. No Finder. No broker, finder or other person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of Buyer or any party acting on Buyer's behalf.

### ARTICLE 4: JOINT COVENANTS

Buyer and Seller hereby covenant and agree as follows:

4.1. Confidentiality. Subject to the requirements of applicable law, all non-public information regarding the parties and their business and properties that is disclosed in connection with the negotiation, preparation or performance of this Agreement shall be confidential and shall not be disclosed to any other person or entity, except the parties' representatives and lenders for the purpose of consummating the transaction contemplated by this Agreement.

4.2. Control. Buyer shall not, directly or indirectly, control, supervise or direct the operation of the Stations prior to Closing. Consistent with FCC rules, control, supervision and

direction of the operation of the Stations prior to Closing shall remain the responsibility of the Companies as the holder of the FCC Licenses.

#### ARTICLE 5: SELLER CLOSING CONDITIONS

The obligation of Seller to consummate the Closing hereunder is subject to satisfaction, at or prior to Closing, of each of the following conditions:

5.1. Proceedings. Neither Seller nor Buyer shall be subject to any court or governmental order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

5.2. FCC Authorization. The FCC Consent shall have been obtained.

#### ARTICLE 6: BUYER CLOSING CONDITIONS

The obligation of Buyer to consummate the Closing hereunder is subject to satisfaction, at or prior to Closing, of each of the following conditions:

6.1. Proceedings. Neither Seller nor Buyer shall be subject to any court or governmental order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

6.2. FCC Authorization. The FCC Consent shall have been obtained.

#### ARTICLE 7: CLOSING DELIVERIES

7.1. Seller Documents. At Closing, Seller shall deliver or cause to be delivered to Buyer: (i) the certificates (if any) representing the Membership Interests, and an assignment conveying the Membership Interests from Seller to Buyer; and (ii) any other instruments of conveyance, assignment and transfer that may be reasonably necessary to convey, transfer and assign the Membership Interests from Seller to Buyer, free and clear of Liens.

7.2. Buyer Documents. At Closing, Buyer shall deliver to Seller the Promissory Note for the Purchase Price together with such further documents as Seller may require pursuant to the terms hereof.

#### ARTICLE 8: MISCELLANEOUS

8.1. Expenses. Each party shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement, except that all governmental taxes, fees and charges applicable to the request for the FCC Consent or applicable to the transfer of the Membership Interests under this Agreement shall be shared equally by the parties.

8.2. Further Assurances. After Closing, each party shall from time to time, at the request of and without further cost or expense to the other, execute and deliver such other instruments of conveyance and assumption and take such other actions as may reasonably be requested in order to more effectively consummate the transactions contemplated hereby.



8.3. Assignment. Neither party may assign this Agreement without the prior written consent of the other party hereto. The terms of this Agreement shall bind and inure to the benefit of the parties' respective successors and any permitted assigns, and no assignment shall relieve any party of any obligation or liability under this Agreement.

8.4. Notices. Any notice pursuant to this Agreement shall be in writing and shall be deemed delivered on the date of personal delivery or confirmed facsimile transmission or confirmed delivery by a nationally recognized overnight courier service, or on the third day after prepaid mailing by certified U.S. mail, return receipt requested, and shall be addressed as follows (or to such other address as any party may request by written notice):

if to Seller: JLH Holdings LLC  
Attention: James Ralph Houston  
Facsimile: 760 325 0852

with a copy (which shall not constitute notice) to: Wiley Rein LLP  
1776 K Street, N.W.  
Washington, D.C. 20006  
Attention: Richard Bodorff  
Facsimile: (202) 719-7049

if to Buyer: James Ralph Houston II  
Facsimile: 760 397 0843

8.5. Amendments. No amendment or waiver of compliance with any provision hereof or consent pursuant to this Agreement shall be effective unless evidenced by an instrument in writing signed by the party against whom enforcement of such amendment, waiver, or consent is sought.

8.6. Entire Agreement. This Agreement constitutes the entire agreement and understanding among the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings with respect to the subject matter hereof, except any confidentiality agreement among the parties with respect to the Stations, which shall remain in full force and effect. No party makes any representation or warranty with respect to the transactions contemplated by this Agreement except as expressly set forth in this Agreement.

8.7. Severability. If any court or governmental authority holds any provision in this Agreement invalid, illegal or unenforceable under any applicable law, then, so long as no party is deprived of the benefits of this Agreement in any material respect, this Agreement shall be construed with the invalid, illegal or unenforceable provision deleted and the validity, legality and enforceability of the remaining provisions contained herein shall not be affected or impaired thereby.

8.8. No Beneficiaries. Nothing in this Agreement expressed or implied is intended or shall be construed to give any rights to any person or entity other than the parties hereto and their successors and permitted assigns.

8.9. Governing Law. The construction and performance of this Agreement shall be governed by the laws of the State of California without giving effect to the choice of law provisions thereof.

8.10. Counterparts. This Agreement may be executed in separate counterparts, each of which will be deemed an original and all of which together will constitute one and the same agreement.

[SIGNATURE PAGE FOLLOWS]

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SIGNATURE PAGE TO SALE AND PURCHASE AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

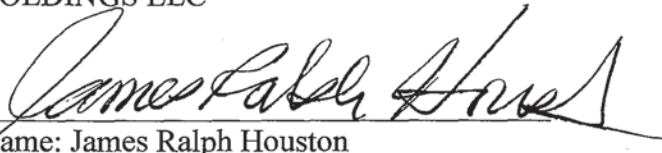
BUYER:



JAMES RALPH HOUSTON II

SELLER:

JLH HOLDINGS LLC

By:   
Name: James Ralph Houston

Title: Trustee of the JLH Living Trust,

The Sole Member of JLH Holdings LLC