

ASSET PURCHASE AGREEMENT

This Agreement is made and entered into this 20th day of May, 2020, by and between: Beech Street Communications Corporation, an Arkansas nonprofit corporation ("Seller"), and Blueline Technology, Inc., a Texas corporation ("Buyer").

WHEREAS, Seller holds a license (the "License") issued by the Federal Communications Commission (the "FCC" or "Commission") (granted in FCC File No. 0000008204) to operate Class A Television Station KLFJ-CD, Texarkana, Arkansas, Facility ID. No. 4585 (the "Station"); and

WHEREAS, Seller is desirous of selling and assigning Station to Buyer, and Buyer is desirous of buying and acquiring Station from Seller: and

WHEREAS, broadcast authorizations may be not be sold or assigned without the prior consent of the FCC;

NOW, THEREFORE, in consideration of the premises and of the mutual promises and covenants contained herein, Buyer and Seller, intending to be legally bound, hereby agree as follows:

1. **ASSETS SOLD AND PURCHASED.** Subject to the approval of the FCC and to the terms and conditions hereof, Seller agrees to sell and Buyer agrees to purchase the following assets (the "Assets"), all of which Seller agrees are free and clear of any and all liens and encumbrances of any nature whatsoever.

a. **FCC Authorizations.** The License and all other FCC authorizations and applications for construction and operation of the Station which may come into existence after the date hereof and hereby incorporated herein.

b. **Equipment.** All of Seller's equipment and property used or useful in the operation of the Station (the "Tangible Personal Property"), including all television and video production and control equipment; the transmitter, antenna and related transmission chain equipment; and the mobile production trailer.

c. **Technical Data.** All of Seller's schematics, blueprints, engineering data, and other technical information pertaining to the construction and/or operation of the Station.

d. **Transmitter Site License.** Seller's real property interest in that certain Tower License Agreement between Assignor and B.A.C.K. Towers, LLC, dated December 1, 1998, and last amended as of October 29, 2014, pertaining to the Station's authorized transmitter site (the "Transmitter Site License").

e. **Excluded Assets.** The following assets held by Seller are expressly excluded from the contemplated transaction and shall remain Seller's property: (i) cash, bank deposits, and similar liquid assets, (ii) accounts receivable by Seller as of the Closing Date, (iii) Seller's archive of video productions in any medium, and all intellectual property rights pertaining to such productions, and (iv) corporate records and books not pertaining specifically to the Station.

2. **CONSIDERATION.** In consideration for the sale, assignment, and conveyance to it of the assets listed above, Buyer agrees to pay Seller Ninety-Seven Thousand Dollars (\$97,000.00) (the "Purchase Price"), subject to the prorations and adjustments listed below:

a. **Taxes.** All federal, state, and local taxes, if applicable to the purchase and sale contemplated hereby, shall be borne by Buyer.

b. **Prorations.** Any and all prepaid items of expense and items of expense the billing periods for which straddle the Closing Date, including but not necessarily limited to utilities, music license fees, FCC Regulatory Fees, shall be prorated as of 12:00 a.m. on the Closing Date.

3. **PAYMENT OF PURCHASE PRICE.** The Purchase Price shall be paid by the Buyer to Seller as follows:

a. Ten Thousand Dollars (\$10,000) shall be paid by Buyer to Seller as an earnest money deposit (the "Deposit") upon execution of this Agreement,

b. The balance of Eighty-Seven Thousand Dollars (\$87,000), subject to prorations, shall be paid to Seller at the Closing in readily available funds.

4. **FCC APPROVAL**

a. **FCC Approval Required.** Consummation of the purchase and sale provided for herein is conditioned upon the FCC having given its consent in writing, without any condition materially adverse to Buyer, to the assignment from Seller to Buyer of all FCC authorizations of Seller relating to the operation of the Station, and said consent having become final. For purposes of this Agreement, such consent shall be deemed to have become final after it is granted and published and when the time for administrative or judicial review has expired and no protest, petition to deny, request for stay, petition for rehearing, or appeal is pending. Buyer may waive the requirement that said consent shall have become final.

b. **Assignment Application.** The parties agree to proceed as expeditiously as practical, to file or cause to be filed an application (the "Application") requesting FCC consent to the transaction set forth herein not later than five (5) business days after the date hereof. The parties agree to cooperate in prosecuting the Application in good faith and with due diligence. The FCC filing fee associated with the Application shall be paid by Buyer.

5. **CLOSING DATE AND PLACE.** The Closing shall take place within five (5) business days of the date of the Commission's consent to the assignment of Station to Buyer becomes final (as defined in Section 4(a) above), provided the conditions specified in the Agreement shall have been met, such date to be mutually agreed on by the parties, but within the effective period of the Commission's consent (the "Closing Date:). The Closing will take place by the exchange of documents by email or facsimile, or by such other method as Buyer and Seller may select by mutual agreement.

6. **RISK OF LOSS.** Risk of loss, damage, or destruction to the property and assets to be sold and conveyed hereunder shall be upon the Seller until the Closing, and after Closing is consummated upon the Buyer.

7. **INDEMNIFICATION BY SELLER.** Seller shall indemnify and hold harmless Buyer and any of Buyer's officers, directors, employees, agents, successors and permitted assigns against and in respect of any and all liabilities, obligations, claims, and demands (including reasonable expenses of investigation and attorneys' fees) (hereinafter collectively "Claims") arising out of or related to (i) Seller's operation of the Station or ownership of the Assets prior to Closing (including, but not limited to, Claims related to compliance with FCC rules and regulations); (ii) any failure by Seller to perform any covenant or obligation of Seller in this Agreement; (iii) any inaccuracy in or breach of any representation, warranty, or covenant made by Seller herein; and (iv) any Excluded Assets set forth in Section 1(e).

8. **INDEMNIFICATION BY BUYER.** Buyer shall indemnify and hold harmless Seller and any of Seller's officers, directors, employees, agents, successors and permitted assigns against and in respect of any and all liabilities, obligations, claims, and demands (including reasonable expenses of investigation and attorneys' fees) arising out of or related to (i) Buyer's operation of the Station or ownership of the Assets after the Closing (including, but not limited to, Claims related to compliance with FCC rules and regulations); (ii) any failure by Buyer to perform any covenant or obligation of Buyer in this Agreement; and (iii) any inaccuracy in or breach of any representation, warranty, or covenant made by Buyer herein.

9. **CONDITION'S PRECEDENT TO BUYER'S OBLIGATIONS TO CLOSE.** Buyer shall not be obligated to close under this agreement unless and until the following conditions have been met:

a. The FCC shall have given its consent to the assignment of FCC authorization from Seller to Buyer and said consent shall have become final as set forth in Section 4(a) hereof. Buyer may waive the condition of finality for the FCC consent.

b. The representations and warranties of Buyer as set forth in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same effect as if made on and as of the Closing Date.

c. Seller shall have performed and complied with all the agreements, obligations, and conditions required by this Agreement to be performed or complied with by it, prior to or as of the Closing Date.

d. Seller shall hold a valid, current and unexpired License for the Station.

10. **CONDITIONS PRECEDENT TO SELLER'S OBLIGATIONS TO CLOSE.** Seller shall not be obligated to close this Agreement unless and until the following conditions precedent are met:

a. The FCC has given its consent to the assignment of the FCC authorization for the Station from Seller to Buyer.

b. The representations and warranties of Buyer as set forth in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same effect as if made on and as of the Closing Date.

c. Buyer shall have performed and complied with all the agreements, obligations, and conditions required by this Agreement to be performed or complied with by it, prior to or at the Closing Date.

11. **BUYER'S PERFORMANCE AT CLOSING.** At the Closing, Buyer shall deliver to Seller the following:

a. The Purchase Price as described and/or calculated in Section 2 hereof.

b. An executed assignment and assumption of the License.

c. An executed assignment and assumption to the Transmitter Site License.

d. Such additional instruments as Seller may reasonably require in order to consummate the transactions provided for in this Agreement.

12. **SELLER'S PERFORMANCE AT CLOSING.** At the Closing, Seller shall deliver to Buyer the following:

a. An executed assignment and assumption of the License.

b. An executed bill of sale for the Tangible Personal Property.

c. An executed assignment and assumption of the Transmitter Site License.

d. Such additional documents as Buyer may reasonably require to consummate the transaction provided for in this Agreement.

13. **NO ASSIGNMENT.** This Agreement may not be assigned by Buyer without Seller's prior written consent.

14. **SPECIFIC PERFORMANCE.** The parties recognize the uniqueness of the Station and the Assets, authorizations, and attributes that are associated with its operation, and for that reason agree that Buyer shall have the right to specific performance of this Agreement upon default of Seller. Buyer shall therefore be entitled at its option, to one, but not both, of the following: (1) a decree of specific performance requiring the parties to comply with their respective obligations under this Agreement to effect the Closing hereunder, subject to obtaining any necessary FCC Approval, or (2), any other remedies that may be available, including money damages. If any action is brought by Buyer to enforce specific performance of this Agreement, Seller shall waive the defense that there is an adequate remedy at law.

15. **TERMINATION.**

a. **Termination by Seller.** This Agreement may be terminated by Seller and the purchase and sale of the Assets abandoned, if Seller is not then in material default, upon written notice to Buyer, upon the occurrence of any of the following:

(i) **Buyer's Breach.** If Buyer is in material breach of its obligations hereunder and Buyer fails to cure such breach within thirty (30) days following receipt of written notice of such default from Seller; provided, however, that in the case of a breach by Buyer for the failure to deliver the Purchase Price at the Closing, the cure period shall be shortened to ten (10) business days.

(ii) **Conditions.** If, on the date that would otherwise be the Closing Date, any condition precedent to the obligations of Seller set forth in this Agreement has not been satisfied or waived in writing by Seller.

(iii) **Judgments.** If there shall be in effect on the date that would otherwise be the Closing Date any judgment, decree, or order that would prevent or make unlawful the Closing.

b. **Termination by Buyer.** This Agreement may be terminated by Buyer and the purchase and sale of the Station abandoned, if Buyer is not then in material default, upon written notice to Seller, upon the occurrence of any of the following:

(i) **Seller's Breach.** If Seller is in material breach of its obligations hereunder and Seller fails to cure such breach within thirty (30) days following receipt of written notice of such default from Buyer.

(ii) **Conditions.** If, on the date that would otherwise be the Closing Date, any condition precedent to the obligations of Buyer set forth in this Agreement has not been satisfied or waived in writing by Buyer.

(iii) Judgments. If there shall be in effect on the date that would otherwise be the Closing Date any judgment, decree, or order that would prevent or make unlawful the Closing.

c. Termination by Either Party. This Agreement may be terminated by either party, if the terminating party is not then in material default, upon written notice, if: (i) the Closing has not occurred within twelve (12) months after public notice of the FCC's acceptance for filing of the Application; or (ii) if the FCC by Final Order: (A) dismisses the Application; (B) denies the Application; or (C) designates the FCC Application for an evidentiary hearing; provided that the right to terminate this Agreement under this Section 15(c) shall not apply to any party whose action or inaction in fulfilling a material obligation under this Agreement shall have been a cause for either: (x) the Closing to fail to occur within the time period set forth herein; or (y) the FCC to dismiss, deny or designate for hearing the Application as provided herein.

d. Effect of Termination.

(i) Upon termination: (1) if neither party hereto is in material breach of any provision of this Agreement, the parties hereto shall not have any further liability to each other, and Seller shall be entitled to retain the Deposit; (2) if Seller shall be in material breach of any provision of this Agreement, Buyer shall have the remedy of specific performance as provided in Section 14, or any other remedy available in law or equity, but not both; or (3) if Buyer shall be in material breach of any provision of this Agreement, Seller's sole remedy shall be to retain the Deposit as liquidated damages.

(ii) Buyer recognizes that if the transaction contemplated by this Agreement is not consummated as a result of Buyer's breach or default, Seller would be entitled to compensation, the extent of which is extremely difficult and impractical to ascertain. If this Agreement is terminated due to the breach or default of Buyer, Seller's sole remedy shall be retention of the entire amount of the Deposit (the "Liquidated Damages"). The parties agree that the amount of the Liquidated Damages shall constitute liquidated damages, and not a penalty, and shall be in lieu of any other remedies to which Seller might otherwise be entitled due to Buyer's wrongful failure to consummate the transaction contemplated by this Agreement.

16. NOTICES. Any notices, requests, demands, or consents required or permitted to be given hereunder shall be in writing, sent by certified or registered mail, postage prepaid, or by prepaid telegram, confirmed by mail, as follows:

If to Seller: Arthur Christy, President
Beech Street Communications Corporation
601 Beech Street
Texarkana, Arkansas 71854

If to Buyer: Wesley Crenshaw, Sr., President
Blueline Technology, Inc.
510 East Hundley Drive

Lake Dallas, Texas 75065

or to such other addresses as either party may designate from time to time by written notice to the other party.

17 **REASONABLE ASSURANCES.** Each of the parties hereto shall execute and deliver to the other party hereto such other instruments as may be reasonably required in connection with the performance of this Agreement.

18 **CONSTRUCTION AND CHOICE OF VENUE.** This Agreement shall be construed and enforced in accordance with the laws of the State of Arkansas without regard to that state's choice of law rule. The parties agree that any litigation undertaken to enforce this Agreement or to resolve any dispute arising from this Agreement must be brought in the state or Federal courts having jurisdiction over Texarkana, Arkansas.

19 **ENTIRE AGREEMENT.** This Agreement supersedes all prior agreements and understandings between the parties and may not be changed or terminated orally, and no attempted change, terminations, amendment, or waiver of any of the provisions hereof shall be binding unless in writing and signed by both parties.

20. **POST-CLOSING ACCOMMODATIONS.** Seller agrees to permit Buyer to operate the Station's studios and offices in the space where Seller currently operates the Station's facilities at 601 Beech Street, Texarkana, Arkansas, for a period not to exceed six (6) months from the Closing Date. Buyer shall be permitted to occupy said premises exclusively for the purpose of operating the Station with no further obligation and no further consideration, including rent.

21. **COUNTERPARTS.** This Agreement may be executed in several counterparts all of which taken together shall constitute one Agreement.

[Signatures follow on next page.]

IN WITNESS WHEREOF, the authorized representatives of the parties hereto have executed this Agreement below.

Sellers: Beech Street Communications Corporation

Signature: *A Christy* Date: 5-20-20
Printed Name: Arthur Christy Title: Chairman of the Board

Signature: *Joe Adams* Date: 5/20/20
Printed Name: Joe Adams Title: Vice-President

Signature: *Barbara McWilliams* Date: 5/21/2020
Printed Name: Barbara McWilliams Title: Secretary

Signature: *Linda Larey* Date: 5/26/2020
Printed Name: Linda Larey Title: Board Member

Buyer: Blueline Technologies, Inc.

Signature: *Wesley V. Crenshaw, Sr.* Date: 05/19/2020
Printed Name: Wesley V. Crenshaw, Sr.
Title: Chairman of the Board and President