

RADIO STATIONS PURCHASE AGREEMENT

This RADIO STATION PURCHASE AGREEMENT is made and entered by ZULA COM, LLC, a Texas limited liability company and/or assigns ("Buyer"), and TOMLINSON-LEIS COMMUNICATIONS, L.P., a Texas limited partnership ("Seller").

RECITALS

WHEREAS, Seller is the sole licensee, proprietor and operator of the commercial radio stations identified as KYKK-FM and KNET-AM and K239AM-FM in Palestine, Texas; and

WHEREAS: Seller is the owner or lessee of all tangible and intangible personal property used in connection with the operation of the Stations (the "Radio Assets"); and

WHEREAS: Seller desires to sell, and Buyer desires to purchase, substantially all the Stations Assets, all subject to the terms and conditions set forth herein; and

NOW, THEREFORE, in consideration of their respective agreements and covenants herein, the receipt and sufficiency of which is hereby acknowledged, Buyer and Seller agree:

1. Purchase and Sale of Radio Assets.

On the terms and conditions of this Agreement, at Closing Seller shall sell, assign, transfer, convey and deliver to Buyer the entire right, title, and interest of Seller in, to and under the Radio Assets. The Radio Assets include only the assets listed in The Schedules

(A) The Radio Assets shall include all personal property, rights, contracts, tower lease, liabilities and obligations utilized in the 'Ordinary Course of Business' (*i.e.*, the ordinary course of the Stations' business consistent with past practices). The Radio Assets shall specifically:

- (1) include the two pieces of real property, all personal property, KNET-AM tower, vehicle, all studio/office and equipment buildings, rights, contracts, liabilities, and obligations; and
- (2) include all governmental licenses which include any franchises, approval, certificates, authorizations, permits, rights, and applications used in the Ordinary Course of Business of the Radio Stations.

2. Pre-Closing Covenants.

The parties agree to comply with the following covenants until Closing.

- (A) Buyer, with Seller's reasonable assistance, shall prepare and file the FCC Application in accordance with Section 5.
- (B) Buyer, with Seller's reasonable assistance, shall obtain all approvals, consents, or authorizations (excluding the FCC Application) necessary to assign all Licenses (other than the FCC radio-frequency licenses) to Buyer.
- (C) Without Buyer's written consent, Seller shall not surrender or voluntarily modify any License, shall not permit any License to expire, shall not take any action (or fail to take any action) that could result in suspension, revocation, or limitation of rights under any License; and shall prosecute with due diligence any pending applications concerning any License.
- (D) Without Buyer's written consent, Seller shall not cause any Radio Station to take any action outside the Ordinary Course of Business.
- (E) Without Buyer's written consent, Seller shall not negotiate or agree to transfer ("Transfer", including sales, assignments, conveyances, pledges, encumbrances, liens, or any other transfer) any Radio Assets.
- (F) Without Buyer's written consent, Seller shall not permit the Transfer of any of Seller's capital stock or other equity interests.

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- (G) Without the other party's approval, a party shall not disclose any confidential information about the other party except as necessary for the FCC Application, obtaining the License transfer authorizations and obtaining the Transfer Consents.

Buyer and Seller hereby acknowledge that Seller shall operate the Station(s) between the Contract Date and Closing.

3. Preparation of Schedules.

The parties agree that the Schedules to this Agreement (the "Schedules") shall be prepared after the Contract Date (*see* below) by Seller during its operation of the Stations:

- (A) Seller shall deliver draft Schedules to Buyer within fifteen (15) days after the Contract Date.
- (B) Buyer shall have fifteen (15) days to propose any modifications to the Schedules.
- (C) Buyer and Seller shall then negotiate in good faith to jointly approve all Schedules. In the event Buyer and Seller cannot agree on the form and substance of the Schedules either party may terminate the Agreement without any further liability.
- (D) Buyer and Seller shall inform the other about any subsequent material changes in the Radio Assets and the corresponding amendments to the Schedules.
- (E) Seller shall deliver the most recent Schedules at the time of Closing.

4. Obtaining 3rd Party Consents.

- (A) Seller shall use reasonable efforts to obtain the necessary third-party consents. Failure to obtain such necessary consent shall not be deemed a breach of the agreement by Seller. The Tower Lease requires third party consent. In the event a necessary third-party consent is not obtained this Agreement shall terminate without any liability to either party, and the Escrow Deposit will be returned to the Buyer.

5. FCC Approval.

Buyer and Seller acknowledge that the Federal Communications Commission ("FCC") must consent to the assignment of the Radio Stations' radio-frequency licenses from Seller to Buyer.

- (A) Buyer shall prepare the application to obtain the FCC's consent to the assignment of the Radio Stations' radio frequency licenses from Seller to Buyer ("FCC Application"). Seller shall provide all reasonable assistance requested by Buyer in connection with the FCC Application.
- (B) Buyer shall file the FCC Application with the FCC within thirty days following execution of this Agreement. FCC filing fees will be paid by the Buyer.
- (C) Buyer and Seller shall diligently prosecute the FCC Applications. Seller shall provide any assistance or cooperation requested by Buyer for obtaining approval of the FCC Application.

6. **Closing.** After grant of FCC consent to the assignment of licenses as well as all other License transfer authorizations and Transfer Consents necessary for Closing, Buyer shall give Seller a Closing Notice

- (A) The Closing shall occur on the last business day of the month in which the conditions set forth have been satisfied or waived (the "Closing Date"). The closing of the purchase and sale provided for in this Agreement (herein referred to as the "Closing") shall take place in Palestine, Texas or at a place mutually agreed to in writing by the parties; and
- (B) At the Closing, Seller shall transfer to Buyer, all of Seller's right, title, and interest of Seller in, to and under the Radio Assets, free and clear of all liens. Seller shall execute and deliver:
 - (1) all documents reasonably requested by Buyer to evidence transfer of the Radio Assets; and

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- (2) certificates containing seller representations and warranties customary for the sale of a business, *however*, such certificates shall be appropriately limited to reflect Buyer's operation of the Stations; and
 - (3) all other documents reasonably requested by Buyer that are customary for the sale of business; and
 - (4) all accounts receivable that are listed on the Radio Stations billing that was just completed for the final month of operations; and
- (C) At the Closing, Buyer shall deliver to Seller:
- (1) all documents reasonably requested by Seller that are customary for the sale of a business; and
 - (2) the agreed to purchase price of Three Hundred Thousand Dollars (\$300,000.00) in the form of certified funds either in check form or by way of a wire transfer, as directed by the Buyer, with the Escrow Deposit of Seven Thousand Five Hundred Dollars (\$7,500.00) to be deducted from the closing funds, and The Escrow Deposit shall be paid to Whitley Broadcast Media, Inc. as Escrow Agent at the time this Agreement is executed. In the event the Buyer breaches this Agreement the Escrow Deposit shall be released to Seller. In the event Seller breaches this Agreement the Escrow Deposit shall be released to Buyer.
- (D) At the Closing, the parties shall make appropriate pro-rations for all taxes, fees, expenses, and other costs relating to the Radio Assets and customary for the sale of a business. The parties shall pay their pro-rated share of such amounts. After the closing, the Seller shall pay any remaining or final operations expenses created up to the closing date, including utilities, payroll, leases, and any remaining operational expenses.

Each party will execute such additional documents and take such other actions requested by another party to effectuate the transfer of the Radio Assets from Seller to Buyer.

7. **Force Majeure.** Except as herein provided to the contrary, neither Buyer nor Seller shall have any rights against the other Party hereto for failure or delay in the performance of a required obligation if such failure or delay is caused by an act of God; inevitable accident; fire; lockout; flood; tornado; hurricane; strike or other labor dispute; riot or civil commotion; earthquake; war; act of government or governmental instrumentality (whether federal, state or local); failure of performance by a common carrier; failure in whole or in part of technical facilities; or other cause (financial inability excepted) beyond such Party's reasonable control. Prompt written notice within thirty (30) days of such event shall be provided.
8. **Fees and Costs.** Each party shall be solely responsible for its own attorney's fees, and costs in connection with the matter herein. Bill Whitley of Media Services Group has served as the exclusive broker for this transaction and the Seller will pay the Brokers Fee of Five (5%) Percent at the closing.
9. **Assignment.** Buyer may assign its rights under this Agreement to another entity.
10. **Notices.** All notices, requests, consents, approvals, demands, notifications, and other communications provided for hereunder (collectively "Notices") shall be in writing. All Notices shall be deemed given or made when timely deposited in the mail, first class postage prepaid, addressed to the Parties at the addresses following their signatures with return receipt required, or by exchange on email requiring a return email of approval. A Party may change its address for notices by a notice complying with this Section.
11. **Construction and Interpretation.** Terms used in this Agreement should be interpreted according to their fair meaning consistent with this Section.
 - (A) If an ambiguity or question of intent or interpretation arises then no party shall bear any presumption or burden of proof due to authorship of any provision herein because the parties jointly negotiated and drafted this Agreement.

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- (B) The obligations of Buyer and Seller under this Agreement are subject to all applicable federal, state and local laws, rules and regulations, including the federal Communications Act of 1934, as the same may be amended from time to time, and the rules and regulations of the FCC promulgated thereunder.
- (C) This Agreement and all matters or issues collateral thereto shall be construed in accordance with the domestic laws of the State of Texas, without applying conflict of laws principles.
- (D) Unless the context requires otherwise, words denoting the singular may be construed as denoting the plural and the words of the plural may be construed as denoting the singular as is appropriate.
- (E) The terms "include" and "including" mean 'including without limitation.'
- (F) The term "any" includes 'any', 'if any', 'all', 'any or all' or 'any and all', as the context requires.
- (G) The term "laws" include constitutions, statutes, rules, regulations, codes, injunctions, judgments, orders, decrees, rulings, restrictions, and charges.
 - (1) Unless expressly limited in a particular provision, the term "laws" includes federal, state, and local laws.
 - (2) A reference to a specific statute also refers to regulations relating to that statute.
 - (3) A reference to a specific law refers to that law as revised or amended at the time that law is being applied.
- (H) The term "person" includes any individual, partnership, corporation, association, joint stock company, limited liability company, limited partnership, trust, retirement entity, government, or other entity, whether foreign or domestic.
- (I) If a date for a party's performance is a day on which national banks are not open for business in Texas, then such performance shall occur on the next weekday when national banks are open for business in Texas.
- (J) References to a 'Section', 'subsection', 'Article', 'Exhibit', 'Appendix' or 'Schedule' shall constitute cross-references within this Agreement unless the reference also expressly cites another document.
- (K) The provisions of this Agreement are severable and separate, so if any particular provision is ruled to be illegal, invalid, or unenforceable, the remaining provisions shall be severed therefrom and shall remain in full force and effect.
- (L) This Agreement shall be construed neither to place the Parties in the relationship of partners or joint venturers nor to constitute any Party the agent of any other Party. Except as specifically provided for herein, neither Party shall have the power to obligate or bind the other Party in any manner whatsoever.
- (M) This Agreement shall be binding upon and inure to the benefits of Buyer, Seller, their respective successors and permitted assigns but shall not confer any rights or remedies upon any other person except as expressly granted herein.
- (N) A waiver of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent or other breach.
- (O) The rights and remedies of a party herein provided are cumulative and are not exclusive of any right or remedies which it may otherwise have.
- (P) No provision of this Agreement shall be altered, amended, revoked, or waived, except by an instrument in writing signed by all parties.
- (Q) This Agreement may be executed in one or more counterparts. All counterparts collectively shall constitute a single instrument, while each such counterpart shall be considered an original.

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(R) A facsimile signature on any document executed in connection with the Company shall constitute an original signature.

The Section titles are stated only for convenience and shall not control or affect the interpretation or construction of any provision of this Agreement.

12. **Entire Agreement.** This Agreement set forth the entire understanding and agreement of Buyer and Seller concerning the purchase and sale of the Stations. This Agreement supersedes all prior understandings, agreements, or representations by or between the parties, whether written or oral. The parties hereby release and discharge all liabilities with respect to prior discussions, negotiations, and commitments.

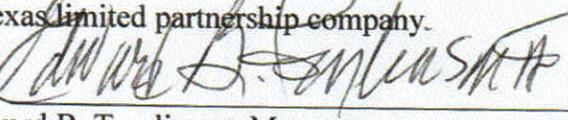
IN WITNESS WHEREOF, after reading and understanding its terms, the duly authorized representatives of Buyer and Seller have executed this Agreement effective as of _____, __, ____ (the "Contract Date").

Buyer: **Zula Com, LLC,**
a Texas limited liability company

By: 
Tiffany B. Spearman, Member
207 S. 25 Mile Ave.
Hereford, Tx. 79045
(806) 777-8542
ZulaComTx@outlook.com

L.P.

Seller: **Tomlinson-Leis Communications,**
a Texas limited partnership company.

By: 
Edward B. Tomlinson, Manager
PO Box 3649
Palestine, Texas 75802-3649
(214) 557-5271
bubbat@tomleis.com

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Schedule 1: The Radio Assets

- A. Fixtures and Broadcasting Equipment and Other Assets: List Attached (file #1)
- B. Broadcast Rights & Broadcast Programming Contracts: List Attached (file #2)

Schedule 2: The Excluded Assets

Two vacant lots adjacent to the Studio/office real estate.

Schedule 3: The Included Liabilities

NONE

Schedule 4: The FCC Licenses

KYYK-FM

KNET-AM

K239AM-FM Translator

AM Studio Transmitter Link

FM Studio Transmitter Link

Schedule 5: Tower Site Lease

SBA Site ID: TX14631-A-04

Elmwood 3, TX: Lease Attached (file #3)

Schedule 6: Client Information

Master Client List: List Attached (file #4)

Final Accounts Receivable: List Attached (file #5)

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