

Description of Amendment

EDGE SPECTRUM, INC. submits this amendment to provide additional information regarding the status of its efforts to complete construction for K44KG-D, REDDING, CA (Facility ID 184021). EDGE SPECTRUM, INC. has not been able to complete construction because of a delay in getting the necessary equipment from Anywave Communication Technologies Inc. ("Anywave") and Hitachi Kokusai Electric Comark LLC d/b/a Comark Communications ("Hitachi Comark"). Attached are copies of letters from Anywave and Hitachi Comark documenting this delay and describing the statement of their transmitter deliveries. Assuming no further delays, EDGE SPECTRUM, INC. expects to finish construction of the Station's facilities and resume operations by 7/1/2022.



February 28, 2022

RE: Status of Transmitter Order

To Whom It May Concern:

I am writing to provide an update on the status of the delivery of certain 300-watt UHF and 120-watt VHF outdoor transmitters from Anywave Communications (“Anywave”) to ARK Multicasting (“ARK”).

By way of background, ARK first contacted Anywave in the early part of 2021 following ARK’s discussions with the FCC about the possibility of constructing low power television stations that used a smaller footprint to overcome unforeseen delays resulting from the COVID 19 pandemic, longer than normal tower design and permitting delays, and supply chain disruptions. ARK indicated that it was looking to purchase approximately 250 outdoor transmitters capable of producing up to 300 watts UHF or up to 120 watts VHF. We understand that ARK had previously ordered similar transmitters from another provider who was unable to timely deliver any of the ordered units.

Although we did not have any transmitters available in the United States that fit ARK’s specifications and timeline, we had previously developed a comparable unit for use in Brazil that we expected to become available in the United States by the end of Q2 2021. In May 2021, ARK placed an order for a demo unit of this new product, which we committed to deliver within 30-45 days. We also provided ARK with a proposal on June 1, 2021, to deliver the remaining transmitters, with the first order of 50 transmitters to be delivered within 90 days and additional quantities to be delivered at a rate of 50 transmitters per month until ARK’s needs were satisfied. Under that schedule, we anticipated delivering 250 transmitters to ARK by the end of 2021. We were confident enough in our production schedule that we agreed to a financial penalty if the first 50 units were not delivered within the 90-day window.

In recognition of the need to maintain an accelerated delivery schedule to meet the forthcoming FCC deadlines, ARK placed an initial order for 50 transmitters June 4, 2021 – before we had delivered the test unit. Anywave understood and expected that once the test unit was verified and the first batch was received and tested, follow-on shipments would be carried out in batches of 50 with subsequent invoice numbers and payments when each batch was ready.



Unfortunately, after ARK submitted its order, we had to shut down our production plant due to power outages and COVID outbreaks. As a result, we were unable to deliver the test unit by mid-June, as promised. We were finally able to ship the first unit to ARK in late July; however due to well-documented Transpacific shipping delays, the unit did not arrive at ARK's facilities until August 2021.

Despite these delays, ARK placed an order for an additional 30 units on July 19, 2021, after seeing a virtual demo of the unit. At that point, we had a firm commitment for 80 units with the understanding that we would provide approximately 170 additional units.

The same production delays that prevented us from timely shipping the test unit also delayed shipment of the first batch of transmitters, which were delivered in late September 2021 – almost a month later than expected. Because we were unable to meet our commitment, we accepted the financial penalty we had agreed upon with ARK. In October 2021, ARK notified us that several of the units included in this first batch were faulty or dead-on arrival. Although we have been able to rectify most of these defects, as of this writing we are still working to replace or repair 4 units from the initial shipment.

In November 2021, ARK notified us of a problem with the filter that was resulting in unexpected interference to mobile services. Although we worked expeditiously to develop and test a solution, we were not able to present this solution to ARK until February 16, 2022. This solution is now ready to be deployed, and we believe it will fully address the concerns.

On December 3, 2021, Anywave delivered a second batch of approximately 30 transmitters to ARK. Unfortunately, 5 units were delayed getting through customs and still have not been delivered to ARK as of this writing.

We are cautiously optimistic that the unexpected challenges we have faced over the past 10 months – rolling power outages, COVID outbreaks, and shipping/customs delays – are mostly behind us. We have also resolved the filter issue that resulted in unexpected interference. As a result, ARK can now deploy the transmitters as soon as they are received.



To date, Anywave has delivered to ARK 71 working units of the expected 250 transmitters. We expect the remaining 9 transmitters to arrive within weeks and to ship the next batch of 50 transmitters within 45 days and another batch of 50 transmitters within 75 days. As a result, by mid-May, we expect to have delivered at least 180 transmitters to ARK. We recognize that ARK is working with multiple manufacturers to fulfill its needs as expeditiously as possible, and we are continuing to work with ARK to make sure all its needs are satisfied.

Please feel free to contact me if you have any questions regarding this update.

Sincerely,

Irvin (Tee) Thomas

Western Sales Manager

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Hitachi Kokusai Electric Comark LLC

February 28, 2022

RE: Status of Transmitter Orders

To Whom It May Concern:

I am writing to provide an update on the status of the delivery of certain UHF and VHF television transmitters from Hitachi Kokusai Electric Comark LLC d/b/a Comark Communications (“Hitachi Comark”) to ARK Multicasting (“ARK”).

Hitachi Comark is a leading transmitter vendor for the low power television industry. We have been engaging with ARK as a customer for that past several years and have served as the primary supplier of transmitters for stations managed by ARK that were displaced as a result of the broadcast television incentive auction and subsequent frequency repack. This process has been riddled with many obstacles including delays caused by COVID, supply chain issues, and mistakes by other third-party vendors.

ARK’s transmitter orders fall into two categories: (1) transmitters for television stations that were operating prior to the incentive auction and were displaced; and (2) transmitters to commence service pursuant to a construction permit.

As of this writing, we have recently completed manufacturing of the displacement transmitters, which we have either shipped to ARK for installation or placed in storage while ARK awaits the completion of the associated antenna and/or the tower application, zoning, and permitting process. The latter is necessary when we are able to manufacture a transmitter before ARK can complete the design of its antenna and obtain all of the approvals required to mount the antenna—a process that we understand can take several years in some cases. Many of the transmitters that we are still working to manufacture, and deliver were ordered by ARK in late 2020 and have been subject to unexpectedly long lead times resulting from high volume and COVID related delays.

Given this backlog, we were unable to commit to deliver additional standard transmitters to ARK within the timeline required to meet the deadlines for unbuilt stations managed by ARK (original July 2021 and extended to January 2022). In our experience, there was not enough manufacturing capacity in the industry (particularly given COVID-related delays) to satisfy the needs of low power television stations.

We understand that ARK discussed the effect of the supply chain backlog and local zoning and permitting delays with the FCC in late 2020 and early 2021 and agreed upon a solution that entailed modifying the existing construction permits to a smaller footprint that could both use a smaller transmitter and, in most cases, proceed without the extended zoning and permitting approvals associated with a standard build. When we first discussed this plan with ARK, we agreed that the suggested approach was reasonable.

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Hitachi Kokusai Electric Comark LLC

However, Hitachi Comark was not able to serve ARK's needs because: (1) we were devoting our resources to satisfying existing orders, including those ARK had previously placed; and (2) we did not manufacture or resell transmitters that would have satisfied the specifications for the proposed builds.

ARK asked us to revisit this issue in Spring 2021, when another vendor was promoting the availability of equipment that was seemingly suitable for ARK's needs. At that time, Hitachi Comark was still not able to help. In May 2021, ARK checked with us one more time before it ordered units from two other providers: R&L Media Systems ("R&L") and Anywave Communications ("Anywave").

A few months later, in October 2021, Hitachi Comark began offering a unit from a Canadian vendor, Technalogix, that had similar specifications to the units we understand ARK had ordered from Anywave. Technalogix committed that it would be able to deliver 10 units within 30 days and up to 50 units by the end of the year, with additional units to follow as needed.

ARK immediately placed an order for TLS-004-100U and TLS-004-25V3 transmitters (see attached) in what we understood was a "belt and suspenders" approach to supplement the transmitters it had already ordered from R&L and Anywave. It was our understanding that ARK was ordering a total of 250 transmitters, with the units being invoiced and shipped in batches of 50. The first of these orders was invoiced and paid for with a 50% deposit on November 8, 2021. The first batch of 10 units was shipped to ARK the beginning of December 2021. The remainder of the first batch of 50 has just now been completed and will ship to ARK within the next week with another batch immediately following.

Although the timeline for delivery of the Technalogix transmitters has not met our initial expectations, the delays were significantly less than those we have experienced for larger transmitters, such as those ARK ordered for its displaced stations in Fall 2020. Despite the delays ARK has faced, had it not altered its plans to pursue construction permits that rely on smaller transmitters, it would have been in an even worse position.

We are continuing to work expeditiously to complete the orders for ARK's displaced stations and its unbuilt construction permits, and we expect to complete these orders by late spring or early summer.

Please feel free to contact me if you have any questions regarding this update.

Sincerely,



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