

## Transaction Documents

A copy of the Asset Purchase Agreement (“APA”) governing this assignment transaction is attached hereto.

There are no exhibits to the APA. The following are schedules to the APA:

- Schedule 1.1(a) FCC Authorizations
- Schedule 1.1(b) Material Tangible Personal Property
- Schedule 1.1(c) Real Property
- Schedule 1.1(d) Assumed Contracts
- Schedule 1.1(e) Intangible Property
- Schedule 1.2 Additional Excluded Assets
- Schedule 1.4 Statement of Income Reports
- Schedule 2.11(b) Employment Claims
- Schedule 2.13 Indebtedness
- Schedule 2.16 Compliance with Law
- Schedule 5.6 Required Consents

The Applicants have excluded from the application the above schedules. The Applicants have also excluded from the application the Escrow Agreement dated January 9, 2023.

The excluded materials contain proprietary information or are not germane to the Commission’s consideration of this application.<sup>1</sup> Information contained in the excluded materials will be provided to the Commission upon request.

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<sup>1</sup> See *LUI/Long Nine*, 17 FCC Rcd at 16982 ¶ 5-7.

## **ASSET PURCHASE AGREEMENT**

**THIS ASSET PURCHASE AGREEMENT** (this “Agreement”) is entered into as of January 9, 2023 (“Effective Date”) among **MENDOTA BROADCASTING, INC.**, an Illinois corporation (“Mendota”) and **LACO RADIO, INC.**, an Illinois corporation (“Laco” and collectively with Mendota “the Sellers” and individually a “Sellers”), and **SHAW LOCAL RADIO CO.**, an Illinois corporation (“Buyer”) and, solely with respect to the Escrow Deposit (as defined herein), **SHAW FAMILY HOLDINGS, INC.**, a Delaware corporation (“SFH”). Each of Sellers, Buyer, and SFH (but solely with respect to the Escrow Deposit) may hereafter be referred to as a “Party” and collectively as the “Parties.”

### **Recitals**

A. Sellers own and operate the following radio broadcast stations and translators (each a “Station” and collectively, the “Stations”), pursuant to certain authorizations issued by the Federal Communications Commission (the “FCC”).

WALS(FM), Oglesby, IL (FCC Facility Id. 17316)  
WIVQ(FM), Spring Valley, IL (FCC Facility Id. 28312)  
WSTQ(FM), Streator, IL (FCC Facility Id 63534)  
WYYS(FM), Streator, IL (FCC Facility Id. 35058)  
WGLC-FM, Mendota, IL (FCC Facility Id. 41165)  
WBZG(FM), Peru, IL (FCC Facility Id. 69732)  
WSPL(AM), Streator, IL (FCC Facility Id 63535) (“WSPL”)  
W253BX(FX), Streator, IL (FCC Facility Id 155737) (“W253BX”)

B. Pursuant to the terms and subject to the conditions set forth in this Agreement, Sellers desire to sell to Buyer, and Buyer desires to purchase from Sellers, the Assets (defined below).

### **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 Assets. On the terms and subject to the conditions hereof, on the Closing Date (defined below), Sellers shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase and acquire from Sellers, all right, title and interest of Sellers in and to substantially all assets, properties, rights and interests of Sellers, real and personal, tangible and intangible, of whatsoever kind and nature that are used or held for use in connection with the operation of the Stations (“Assets”), but excluding the Excluded Assets (defined below). The Assets shall include the following:

(a) all licenses, permits and other authorizations issued to Sellers by the FCC with respect to the Stations (the “FCC Licenses”), including those described on *Schedule 1.1(a)*, as well as any applications, renewals or modifications thereof between the Effective Date and Closing (defined below) and any other assignable licenses, permits and rights issued to Sellers by federal, state or local governmental authorities with respect to the conduct of the business and operation of the Stations (collectively, the “Other Licenses”);

(b) all of Sellers’ equipment, transmitters, antennas, cables, towers, vehicles, furniture, fixtures, spare parts and other tangible personal property of every kind and description that are used or held for use in the operation of the Stations, together with any replacements thereof or additions and improvements thereto, except for any permitted retirements or dispositions thereof made between the date hereof and Closing Date in the ordinary course of business and consistent with past practices of Sellers (the “Tangible Personal Property”), including those items of Material Tangible Personal Property (defined below) listed on *Schedule 1.1(b)*;

(c) all of Sellers’ right, title and interest in and to the real property owned, leased or otherwise used in connection with the operation of the Stations (including, in each case, any appurtenant easements and improvements located thereon), whether such real property is owned, leased, subleased, licensed or otherwise occupied which is specifically listed on *Schedule 1.1(c)*, together with any additions thereto between the date hereof and the Effective Time (collectively, the “Real Property”);

(d) all contracts and agreements entered into in the ordinary course of business and primarily used or held for use in connection with the operations of the Stations, including (i) all contracts for the sale of advertising time on the Stations for cash (ii) trade, barter or similar agreements for the sale of advertising time for goods or services; (iii) the Real Property Leases (defined below), (iii) all contracts, leases, subleases, licenses and occupancy agreements that are used in the operation of the Stations and listed on *Schedule 1.1(d)*, (iv) any contracts not listed on *Schedule 1.1(d)* that were entered into in the ordinary course of business and, when combined with each other do not require payments of more than Ten Thousand Dollars (\$10,000) in the aggregate, and (v) employment agreements with respect to Transferred Employees (as defined herein) and listed on *Schedule 2.11(if any)* (collectively, the “Assumed Contracts”);

(e) all of Sellers’ right, title and interest in and to the Stations’ call letters, trademarks, trade names, service marks, internet domain names and domain leases, social media accounts (including account information, usernames and passwords), mobile apps, smart speaker skills and the right to change invocations for the same, podcasts, the rights (subject only to rights of third-party vendors) to the use, reproduction, public display, public performance, preparation of derivative works from, publication and distribution of HTML content located and publicly accessible from those domain names, and the registered user database (including emailing lists) for those sites, if any, franchises, copyrights, computer software (in both source code and object code forms), databases (in both source code and object code forms), programs and programming material, jingles,

slogans, logos, and all other intangible property and proprietary rights (including, without limitation, rights and permissions to use artists' and other individuals' names, likenesses, photographs, voices, performances, interviews, biographical information, and/or other elements of their identity) which are owned by or licensed to or used or held for use by Sellers in connection with the Stations (subject to any required third-party consents), including, without limitation, those listed on *Schedule 1.1(e)*, together with the goodwill associated with the foregoing and registrations and applications to register the foregoing in any jurisdiction, including any extension, modification or renewal of any such registration or application, and the rights to sue, make claims, and recover damages for, and to settle and release, any past, present or future infringement or misappropriation of any of the foregoing (collectively, the "Intangible Property");

(f) all Sellers' rights in, to or under all the files, documents, records, and books of account (or copies thereof) relating to the operation of the Stations, including the Stations' local public files, programming information and studies, blueprints, technical information and engineering data, advertising studies, marketing and demographic data, sales correspondence, lists of advertisers, credit and sales reports, and logs (but excluding records related to the Excluded Assets);

(g) any and all rights and claims of Sellers, whether mature, contingent or otherwise, against third-parties with respect to the Stations and the Assets, to the extent attributable to any period after the Effective Time, including, without limitation, all assignable rights under manufacturers and vendors' warranties; and

(h) all Sellers' goodwill in, and the going concern value of, the Stations.

The Assets shall be transferred to Buyer free and clear of debts, liens, claims and encumbrances, security interests, mortgages, trusts, pledges, conditional sales agreements, equipment leases, and other liabilities and encumbrances of every kind and nature ("Liens"), except for the Assumed Obligations (defined below), Liens for taxes not yet due and payable, mechanics', carriers', workers', repairers' or similar Liens that will be released at or prior to Closing, easements, covenants, rights of way or other restrictions of record, and Liens which do not individually or in the aggregate materially interfere with the use of the Asset to which they relate as presently utilized (collectively, "Permitted Liens").

1.2 Excluded Assets. Notwithstanding anything to the contrary contained herein, the Assets shall not include the following assets (the "Excluded Assets"):

(a) all cash and cash equivalents of Sellers, including certificates of deposit, commercial paper, treasury bills, marketable securities, money market accounts and all such similar accounts or investments;

(b) all tangible and intangible personal property of Sellers retired or disposed of in the ordinary course of business of Sellers between the date of this Agreement and Closing, as permitted hereunder;

(c) all Assumed Contracts that are terminated, not due to Sellers' breach, or expire prior to Closing in the ordinary course of business of Sellers, and those contracts and agreements not included in the Assumed Contracts or Real Property Leases (as defined herein);

(d) Sellers' trade names not used or held for use in connection with the operation of the Stations, charter documents, and books and records relating to the organization, existence or ownership of Sellers, duplicate copies of the records of the Stations, and all records not relating to the operation of the Stations;

(e) contracts of insurance, and all insurance proceeds and claims made thereunder, except as provided by Section 5.4;

(f) all pension, profit sharing and deferred compensation plans and trusts and the assets thereof and any other employee benefit plan or arrangement and the assets thereof, if any, maintained by Sellers;

(g) the Stations' accounts receivable and any other rights to payment of cash consideration for advertising or programming broadcast prior to the Closing ("Seller A/R");

(h) all rights and claims of Sellers, whether mature, contingent or otherwise, against third-parties with respect to the Stations or Assets, to the extent arising during or attributable to any period prior to Closing;

(i) all deposits and prepaid expenses (and rights related thereto), except to the extent Sellers receive a credit therefor under Section 1.5;

(j) all right, title, and interest in and to any real property not expressly set forth in *Schedule 1.1(c)*; and

(j) the items listed on *Schedule 1.2*.

1.3 Assumed Obligations. At the Closing, Sellers shall assign to Buyer, and Buyer shall assume from Sellers (and Buyer shall thereafter pay, perform, discharge or otherwise satisfy in accordance with their respective terms) (a) all liabilities and obligations arising with respect to the operation of the Stations (including the Assets) on or after the Closing Date, including, all obligations and liabilities related to Assumed Contracts, the Real Property Leases and the FCC Licenses, (b) all liabilities and obligations to be assumed by Buyer pursuant to Section 5.7, (c) sales commissions related to the sale of advertisements broadcast on the Stations after Closing but with respect to advertisements sold prior to Closing and for which Seller has collected amounts owed only to the extent that Buyer receives credit for such amounts collected by Seller under Section 1.5, (d) any and all taxes with respect to the Assets or operation of the Stations for all periods beginning on or after the Effective Time (including the post-Effective Time portion of any straddle

period), as defined at Section 1.5, and (e) any liability or obligation to the extent of the amount of any adjustment therefor in favor of Buyer in the calculation of the Purchase Price under Section 1.5 (collectively, the “Assumed Obligations”). Except for the Assumed Obligations, Buyer does not assume, and will not be deemed by the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby to have assumed any other liabilities or obligations of Sellers (collectively the “Retained Obligations”).

#### 1.4 Purchase Price.

(a) The purchase price to be paid for the Assets shall be the sum of One Million Eight Hundred Thousand Dollars (\$1,800,000.00), subject to adjustments pursuant to Section 1.4(b) and Section 1.5 (the “Purchase Price”). At Closing, Buyer shall pay the Purchase Price (less that portion of the Escrow Deposit which is not required to be retained to pay the Additional Purchase Price as provided in Section 1.4(d)) to Sellers in readily available funds pursuant to the written instructions of Sellers to be delivered by Sellers to Buyer at least two (2) business days prior to Closing.

(b) As additional consideration for the purchase and sale of the Assets, Buyer will pay Sellers an additional sum of Seventy-Five Thousand Dollars (\$75,000.00) (“Additional Purchase Price”) in the event the gross revenue (“2023 Q1 Revenue”) generated from the operation of the Stations during the period of January 1, 2023 through March 31, 2023 (“2023 Q1”) is at least ninety-five percent (95%) of the gross revenue reported as “Total Revenue” in the “Statement of Income” reports contained in the Interim Financial Statements for the period of January 1, 2022 through March 31, 2022, and attached hereto in *Schedule 1.4(b)* (“2022 Q1 Revenue Threshold”). If the 2023 Q1 Revenue is less than the 2022 Q1 Revenue Threshold then Buyer shall have no obligation to pay Sellers any additional consideration pursuant to this Section 1.4(b). The Parties agree that the 2023 Q1 Revenue shall be calculated utilizing the same methodology used to calculate revenues in the Interim Financial Statements and shall not include any prepayments for revenues which are not earned during 2023 Q1. Except as provided in Section 1.4(d) below, in the event the Additional Purchase Price is due and payable pursuant to this Section 1.4(b), Buyer shall pay such Additional Purchase Price at Closing. Buyer and Seller each agree that they will not take any actions (or refrain from taking any actions) that would materially alter or manipulate the 2023 Q1 Revenue. In the event that Buyer disputes Sellers’ calculation of 2023 Q1 Revenue, Sellers and Buyer shall, in good faith, attempt to agree upon the 2023 Q1 Revenue within ten (10) business days following Buyer’s receipt of Sellers’ determination of 2023 Q1 Revenue. If the Parties cannot reach agreement within such ten (10) business day period, Sellers and Buyer shall submit the dispute to a CPA for review and resolution any and all matters which remain in dispute. The CPA shall be instructed to, within thirty (30) days after the submission of the disputed matters, review and resolve all such disputed matters and to report its resolution thereof to Sellers and Buyer. The cost of retaining the CPA shall be borne one-half (1/2) by Sellers and one-half (1/2) by Buyer. The determination by the CPA of the disputed matter shall be conclusive and not subject to dispute or review, and judgment thereon may be entered in any court of competent jurisdiction.

(c) Within two (2) business days after the execution of this Agreement, Buyer's affiliate, SFH shall deposit the sum of One Hundred and Fifty Thousand Dollars (\$150,000) (the "Escrow Deposit") with Truist Bank as escrow agent ("Escrow Agent") pursuant to an Escrow Agreement ("Escrow Agreement") entered into among SFH, Sellers and the Escrow Agent (SFH, on one hand, and Sellers, on the other hand, shall share equally all fees due to the Escrow Agent). At Closing, the Escrow Deposit (less any amount required to be retained pursuant to Section 1.4(d) below) shall be disbursed to Sellers and applied to the Purchase Price (and any interest accrued thereon shall be disbursed to SFH). If this Agreement is terminated by Sellers in accordance with Section 10.1(c), then the Escrow Deposit (along with any accrued interest and attorney's fees and costs owed pursuant to Section 10.4) shall be disbursed to Sellers as liquidated damages and shall be the sole and exclusive remedy of Sellers. Sellers hereby waive all other legal and equitable remedies they may otherwise have as a result of any breach or default by Buyer under this Agreement. If this Agreement is terminated for any other reason, the Escrow Deposit and any interest accrued thereon shall be disbursed to SFH. The Parties shall each instruct the Escrow Agent pursuant to the terms of the Escrow Agreement to disburse the Escrow Deposit (including any portion retained in escrow after Closing pursuant to Section 1.4(d) below) and all interest accrued thereon to the Party entitled thereto and shall not, by any act or omission, delay or prevent any such disbursement.

(d) In the event the 2023 Q1 Revenue is unable to be calculated prior to Closing (or if as of the Closing there is a dispute relating to such calculation), at Closing, funds representing the Additional Purchase Price shall be retained in escrow pursuant to the Escrow Agreement and such amount (along with any additional interest) shall be released to Seller or returned to SFH, as applicable as contemplated by Section 1.4(b), no later than fifteen (15) business days following the calculation of the 2023 Q1 Revenue totals in accordance with Section 1.4(b).

#### 1.5 Prorations.

(a) Except as otherwise provided herein, all expenses arising from Sellers' ownership of the Assets to be conveyed hereunder that are customarily prorated shall be prorated between Buyer and Sellers in accordance with generally accepted accounting principles as of 12:01 a.m., Central time, on the Closing Date (the "Effective Time"), on the basis that all expenses which accrue prior to the Effective Time are for the account of Sellers, and all expenses which accrue after the Effective Time are for the account of Buyer. Such prorations shall include, without limitation, all real property, ad valorem, and other property taxes (but excluding taxes arising by reason of the transfer of the Assets as contemplated hereby, which shall be paid as set forth in Section 11.1), and similar prepaid and deferred items attributable to the ownership of the Stations or the Assets. Sellers shall receive a credit for all of the Stations' deposits and prepaid expenses to the extent the benefit of the same is transferable to Buyer. Payment of sales commissions owed to employees of the Stations for the sale of advertisements booked and broadcast on the Stations prior to the Closing Date shall be the responsibility of and paid for by Sellers. If Buyer receives payment for any sales of advertisements booked before the Closing Date and broadcast after the Closing Date, Buyer will pay any sales commissions owed to employees of the Stations (whether they are Transferred Employees or not) relating thereto.

Prorations shall include an adjustment for employee leave (if any) accrued prior to Closing with respect to all Transferred Employees; it being understood and agreed that such adjustments will be limited to the actual amounts that would have been payable to such employees upon separation from the employ of Sellers.

(b) The prorations and adjustments to the Purchase Price contemplated by this Section 1.5, to the extent practicable, shall be made on the Closing Date. As to those prorations and adjustments not capable of being ascertained on the Closing Date, an adjustment and proration shall be made within sixty (60) days following the Closing Date, with payment made by wire transfer of immediately available funds to an account designated by the Party who is to receive such payment. In the event of any disputes between the Parties as to such adjustments, the amounts not in dispute shall nonetheless be paid at such time and such disputes shall be resolved by a mutually acceptable independent certified public accountant with experience in the broadcast industry (the “CPA”), and the fees and expenses of such CPA shall be paid one-half by Sellers and one-half by Buyer. The decision of such CPA shall be rendered within one hundred eighty (180) days after the Closing and shall be conclusive and binding on the Parties.

(c) Notwithstanding the foregoing, with respect to trade or barter agreements that are included in the Assumed Contracts, if at the Closing Date (i) Sellers have a negative barter balance (*i.e.*, the amount by which the value of air time to be provided after the Closing Date exceeds the fair market value of corresponding goods and services to be received after such date), or (ii) Sellers have a positive barter balance (*i.e.*, the amount by which the value of air time to be provided after the Closing Date is less than the fair market value of corresponding goods and services to be received after such date), there shall be no adjustment or proration to account for such barter balance.

1.6 Allocation. Prior to Closing, Buyer and Sellers shall exercise commercially reasonable efforts to determine a mutually agreeable allocation of the Purchase Price for tax purposes in accordance with the respective fair market values of the Assets and the goodwill being purchased and sold in accordance with the requirements of Section 1060 of the Internal Revenue Code of 1986, as amended (the “Code”). Each of Buyer and Sellers shall file a tax return reflecting its allocation as and when required under the Code. In the event that Buyer and Sellers shall be unable to mutually agree upon the allocation by Closing, Buyer and Sellers shall negotiate in good faith for a period of twenty (20) days, and if such negotiations do not resolve the allocation matters, the Parties shall select the CPA within twenty (20) days after the Closing who shall make a determination of the allocation within sixty (60) days after his or her selection. Buyer and Sellers agree that the allocation determined by their mutual agreement or otherwise by the CPA, as the case may be, shall be conclusive and binding on Buyer and Sellers for all purposes, including without limitation, reporting and disclosure requirements of the Internal Revenue Service.

1.7 Closing. The consummation of the sale and purchase of the Assets pursuant to this Agreement (the “Closing”) shall take place within ten (10) business days after the later of the date of the satisfaction or waiver of the last of the conditions required to be satisfied or waived pursuant to Articles 6 or 7 below (other than those requiring a delivery



of a certificate or other document, or the taking of other action, at the Closing); provided that the Closing shall take place no earlier than April 1, 2023, unless otherwise agreed by the Parties. The date on which the Closing is to occur is referred to herein as the “Closing Date.”

1.8 FCC Consent. Within ten (10) business days after this Agreement is executed and delivered by both Parties, Buyer and Sellers shall file applications (the “FCC Applications”) requesting FCC consent to the assignment of the FCC Licenses from Sellers to Buyer (the “FCC Consent”). Sellers and Buyer shall diligently file and prosecute the FCC Applications and use commercially reasonable efforts to obtain the FCC Consent as expeditiously as possible. Each Party shall promptly provide the other with a copy of any pleading, order or other document served on it relating to the FCC Applications and shall furnish all information required by the FCC. Buyer and Sellers 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, or the Stations or its operations. Buyer and Sellers shall furnish each other with such information and assistance as the other may reasonably request in connection with their preparation of any governmental filing hereunder.

1.9 Due Diligence. Within forty-five (45) days after the Effective Date, Buyer may, at its expense, obtain customary title commitments, Phase I site assessments, and surveys with respect to the Owned Real Property and Leased Real Property upon which a Tower included in the Assets is situated (“Reviewed Property”). As used herein, (a) “Encroachment” means any (i) Lien disclosed in any such survey that is not a Permitted Lien or (ii) encroachment disclosed in any such survey that is not consistent with the representations set forth in this Agreement, and (b) “Environmental Condition” means any (i) recognized environmental condition disclosed in any such environmental assessment, (ii) other condition showing the existence of Hazardous Materials located upon the Reviewed Property or (iii) any condition showing that the Reviewed Property is not in compliance with any Environmental Law. Sellers shall cooperate with any reasonable requests by the title company or environmental consultant and shall provide access for such surveys or site assessments upon reasonable prior notice, subject to any necessary landlord consent. Buyer shall notify Sellers of any Environmental Condition or Encroachment promptly after Buyer becomes aware of such fact. If any Environmental Condition or Encroachment on or from the Reviewed Property is disclosed, Sellers shall use commercially reasonable efforts to remedy the same prior to Closing (which may be delayed as provided below to the extent reasonably necessary to complete such remediation); provided, however, that if the reasonably estimated remediation cost in the aggregate exceeds \$50,000, then unless the other Party agrees to cure on their own (in which case, no termination right shall exist), either Party shall have the right to terminate the Agreement upon written notice to the other Party before Closing.

## **ARTICLE 2: SELLER REPRESENTATIONS AND WARRANTIES**

Sellers represent and warrant to Buyer as follows:

2.1 Organization. Each of Mendota and Laco is a corporation, duly incorporated, validly existing and in good standing under the laws of the State of Illinois. Each Seller has the requisite power and authority to own and operate its respective Stations, to carry on the Stations' business as now conducted by it, and to execute, deliver and perform this Agreement and the documents to be made pursuant hereto.

2.2 Authorization. The execution, delivery and performance of this Agreement and the documents to be made pursuant hereto have been duly authorized and approved by all necessary action of Sellers (the "Sellers Authorization") and do not require any further authorization or consent of Sellers. This Agreement and the documents to be made pursuant hereto are legal, valid and binding agreements of Sellers enforceable in accordance with their respective terms, except in each case 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 Sellers of this Agreement and the documents to be made pursuant hereto do not conflict with any organizational documents of Sellers or any law, judgment, order, or decree to which Sellers are subject, and does not require the consent, approval or authorization, or filing with, any third-party or any court or governmental authority, except the FCC Consent, and except for counter-party consent to assign those Real Property Leases designated on *Schedule 1.1(c)* and Assumed Contracts designated on *Schedule 1.1(d)*.

2.4 FCC Licenses. Sellers hold the FCC Licenses listed and described on *Schedule 1.1(a)*. Such FCC Licenses constitute all of the authorizations required under the Communications Act of 1934, as amended or the rules, regulations and policies of the FCC for the present operation of the Stations. The FCC Licenses are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired. There is not pending or, to Sellers' knowledge, threatened any action by or before the FCC to revoke, suspend, cancel, rescind or adversely modify any of the FCC Licenses (other than proceedings relating to FCC rules of general applicability) and there is no order to show cause, notice of violation, notice of apparent liability, or notice of forfeiture or complaint pending or, to Sellers' knowledge, threatened against Sellers or the Stations by or before the FCC. All material reports and filings required to be filed with the FCC by Sellers with respect to the operation of the Stations have been timely filed, and all such reports and filings are accurate and currently are in material compliance.

2.5 Taxes. Sellers have filed all foreign, federal, state, county and local income, excise, property, sales, use, franchise and other tax returns and reports which are required to have been filed by it under applicable law in connection with the Stations' business and

has paid all taxes which have become due pursuant to such returns or pursuant to any assessments which have become payable.

2.6 Personal Property. *Schedule 1.1(b)* contains a list of all Tangible Personal Property included in the Assets with a value in excess of \$5,000 (collectively, the “Material Tangible Personal Property”). Except as set forth on *Schedule 1.1(b)*, Sellers have good and marketable title to, or a valid leasehold interest in the Tangible Personal Property free and clear of all Liens other than Permitted Liens. The Material Tangible Personal Property for all Stations (other than WSPL) are in good condition and repair (ordinary wear and tear excepted) and does not require any repair or replacement except for maintenance in the ordinary course of business. The Material Tangible Personal Property for WSPL is currently in operating condition and will be transferred to Buyer at Closing in AS-IS, WHERE-IS condition. Except as set forth in *Schedule 1.1(b)*, none of the Material Tangible Personal Property is held under any lease, security agreement, conditional sales contract or other title retention or security arrangement or is located other than on the Real Property.

2.7 Real Property. *Schedule 1.1(c)* contains descriptions of all real property (i) owned in fee by Sellers in connection with the operation of the Stations (the “Owned Real Property”) and (ii) leased, subleased, licensed or otherwise occupied by Sellers in connection with the operation of the Stations (the “Leased Real Property”), including a description of the leases, subleases, licenses and other occupancy agreements to which Sellers are a party with respect to such Leased Real Property (the “Real Property Leases”). With respect to the Real Property, Sellers represent that (i) other than the Excluded Assets, the Real Property constitutes all real properties owned, leased, subleased, licensed, used or otherwise occupied by Sellers in connection with the operations and business of the Stations (ii) except as provided in *Schedule 1.1(c)*, Sellers have all easements and permits necessary to conduct the Stations’ operations and business as currently conducted; (iii) no portion of the Real Property is subject to any pending or, to Sellers’ knowledge, threatened, condemnation proceeding or proceeding by any public authority; (iv) the buildings, plants and structures, including heating, ventilation and air conditioning systems, roof, foundation and floors, constituting the Real Property are in good operating condition and repair, subject to ordinary wear and tear; (v) to Sellers’ knowledge, the operation of the Real Property in the manner in which it is now operated complies with all zoning, building, use, safety or other similar statutes, ordinances or regulations or any governmental authority; (vi) neither the use nor occupancy of the Real Property nor the operation of the Stations and business as currently conducted thereon is dependent on a “permitted non-conforming use” or “permitted non-conforming structure” or similar variance, exemption or approval from any governmental authority which has not already been granted; (vii) the Real Property is served by all utilities which are required for use of the Stations and business as currently conducted thereon; (viii) all of the Real Property has direct vehicular and pedestrian access to a public street adjoining such Real Property, or has vehicular and pedestrian access to a public street via an insurable, permanent, irrevocable and appurtenant easement benefiting such Real Property, and such access is not dependent on any land or other real property interest that is not included in such Real Property; (ix) Sellers are the fee owner of the Owned Real Property and the sole legal and equitable holder of the leasehold interest in each parcel of Leased Real Property and possesses

marketable title thereto, free and clear of all liens (other than Permitted Liens); (x) except as may apply to common areas of any Leased Real Property which may be shared with the tower owner, ground owner or other tenants, there are no leases, subleases, licenses, concessions or other agreements, written or oral, granting to any party or parties the right of use or occupancy of any portion of any parcel of the Real Property other than the Real Property Leases and there are no parties other than Sellers in possession of any such parcel; (xi) Sellers have valid leasehold interests in the Leased Real Property, free and clear of all Liens other than Permitted Liens; (xii) true, correct and complete copies of the Real Property Leases and all amendments thereto have been made available to Buyer; (xiii) Sellers are not in default under any of the Real Property Leases; (xiv) except as set forth in *Schedule 1.1(c)*, the Real Property Leases are legal, valid, binding, enforceable, and in full force and effect; (xv) except as set forth in *Schedule 1.1(c)*, no Real Property Lease has been modified, amended, assigned or subleased in any material respect, and all modifications, amendments, assignments and subleases related to the Real Property Leases have been provided to Buyer; (xvi) Sellers have marketable fee simple title to the Owned Real Property, free and clean of all Liens other than Permitted Liens; (xvii) the Owned Real Property is not subject to any rights of first refusal or other right or option of any other person to purchase or lease or otherwise obtain title or an interest in the Owned Real Property or any portion thereof; (xviii) Sellers do not owe nor will owe in the future any brokerage commissions or finder's fees with respect to any Real Property; (xix) except for Permitted Liens, Sellers have not collaterally assigned or granted any security interest in any Real Property or Real Property Lease that will not be released prior to the Closing Date; (xxi) no security deposit or portion thereof deposited with respect to any Real Property Lease has been applied in respect of a breach or default under such Real Property Lease which has not been redeposited in full; and (xxii) Sellers are not and, to Sellers' knowledge, no other party is in default under any Real Property Lease in any material respect, and no notice of default has been received or issued by Sellers with respect to any Real Property Lease. With respect to any transmission tower owned by Seller and included in the Assets (each a "Tower"), Seller's placement of such Tower and Tangible Personal Property on the Real Property in its current location (a) is in compliance with all laws and requirements applicable zoning, Federal Aviation Administration (the "FAA"), the FCC or any other governmental authority and any related or similar state or local laws, land use laws and applicable title covenants, conditions, restrictions and reservations in all respects, now and at the time of development of the associated Real Property as a broadcasting facility and (b) if located on leased Real Property, is authorized under the terms of the applicable Real Property Lease. Each Tower included in the Assets is obstruction-marked, monitored and lighted, to the extent required by, and in accordance with, the rules and regulations of the FAA, the FCC or any other governmental authority. Upon request, Sellers will deliver to Buyer true and complete copies of all deeds, title insurance policies, title insurance commitments and policies, zoning reports, surveys, structural analysis or other records that are in Seller's possession or control relating to the Real Property, the Tower or other Assets. All permanent certificates of occupancy and other material consents and approvals required to be obtained by Sellers for use of the Real Property from any governmental authority have been issued and are in full force and effect.

2.8 Contracts. *Schedule 1.1(d)* contains a list of all Assumed Contracts (other than Assumed Contracts covered by sub-Sections 1.1(d)(i)-(ii), and (iv)). Sellers have

performed its obligations under each of the Assumed Contracts in all material respects and is not in default thereunder. To Sellers' knowledge, the Assumed Contracts are binding on the other parties thereto. Each of the Assumed Contracts is in effect and is binding upon Sellers, and, to Sellers' knowledge, the other parties thereto (subject to bankruptcy, insolvency, reorganization or other similar laws relating to or affecting the enforcement of creditors' rights generally). Sellers have performed its obligations under each of the Assumed Contracts in all material respects, and is not in material default thereunder, and to Sellers' knowledge, no other party to any of the Assumed Contracts is in default thereunder in any material respect.

2.9 Environmental. To Sellers' knowledge, no Hazardous Materials have been generated, stored, transported or released on, in, from or to the Owned Real Property or, the leased Real Property. As used in this Agreement, "Hazardous Materials" means any wastes, substances, or materials (whether solids, liquids or gases) that are deemed hazardous, toxic, pollutants, or contaminants, including substances defined as "hazardous wastes," "hazardous substances," "toxic substances," "radioactive materials," or other similar designations in, or otherwise subject to regulation under, any applicable regulations of any federal, state, or local department of natural resources or federal, state, or local environmental protection agency now or at any time hereafter in effect ("Environmental Laws"). Without limiting the generality of the foregoing, Hazardous Materials includes, but is not limited to, polychlorinated biphenyls (PCBs), asbestos, lead-based paints, infectious wastes, radioactive materials and wastes and petroleum and petroleum products (including crude oil or any fraction thereof). To Sellers' knowledge, there are no underground storage tanks located at the Real Property and there are not now, nor to Sellers' knowledge have there been, any Hazardous Materials stored upon the Real Property that, if known to be present in soils or ground water, would require cleanup, removal or some other remedial action under any Environmental Laws. Sellers have not received in respect of the Stations or Assets any notice or claim to the effect that it is or may be liable under any Environmental Laws. To Sellers' knowledge, neither the Stations nor any Assets are the subject of any investigation by any governmental authority with respect to a violation of any Environmental Laws.

2.10 Intangible Property. *Schedule 1.1(e)* contains a description of all material Intangible Property, including all registered trademarks, registered copyrights, domain names, and social media accounts included in the Intangible Property. Sellers' transmission, use, linking and other practices related to the operation of their web sites in connection with the operation of the Stations, the content thereof and the advertisements contained therein, do not conflict with, infringe, misappropriate or otherwise violate the intellectual property or other proprietary rights, including rights of privacy, publicity and endorsement, of any third-party. No Intangible Property is the subject of any pending, or, to Sellers' knowledge, threatened legal proceedings claiming infringement or unauthorized use and Sellers have not received notice of any claim that any Intangible Property or the use thereof conflicts with, or infringes upon, any rights of any third-party (and there is no basis for any such claim of conflict).

2.11 Employees.

(a) Sellers have provided to Buyer a true and complete list of all employees who perform services for the Stations, their position, rate of compensation, including where applicable sales commission arrangements (including any draws against commissions), and amount of accrued and unused vacation. Sellers will be responsible for and timely pay the Stations' employees all wages and salaries earned, including accrued but unused vacation through Effective Time. All employees of the Stations are currently at-will employees. Except for non-competition agreements (the form of which has been provided to Buyer), none of the Stations' employees are subject to any employment agreement with Sellers. Sellers have provided to Buyer a written description of all of Sellers' employee benefit plans for the Stations' employees.

(b) Except as set forth in *Schedule 2.11(b)*, Sellers have materially complied with all labor and employment laws, rules and regulations applicable to the Stations' business, including those which relate to prices, wages, hours, discrimination in employment and collective bargaining, and is not liable for any arrears of wages or any taxes or penalties for failure to comply with any of the foregoing. Except as set forth on *Schedule 2.11(b)*, there is no unfair labor practice charge or complaint against Sellers in respect of the Stations' business pending or threatened before any court or governmental authority, and there is no strike, dispute, request for representation, slowdown or stoppage pending or threatened in respect of the Stations' business. Sellers are not party to any collective bargaining, union or similar agreement with respect to the employees of Sellers at the Stations, and no union represents or claims to represent or, to Sellers' knowledge, is attempting to organize such employees.

2.12 Assets. Except for the Excluded Assets, the Assets constitute substantially all the assets used or held for use in the business or operation of the Stations as currently operated. Except as provided in *Schedule 1.1(c)*, access to or use of any real property included in the Excluded Assets is not required in order for Buyer to operate the Stations in substantially the same manner in which they are currently operating; provided, however, Buyer acknowledges that Sellers currently use the property located at 3915 Progress Blvd. for storage of certain Tangible Personal Property (including the garaging of vehicles) included in the Assets which Sellers will relocate to real property included in the Assets prior to Closing. At Closing, Sellers will transfer to Buyer good and marketable title to the Assets, free and clear of Liens, except for Permitted Liens.

2.13 Indebtedness. Except as may be set forth in *Schedule 2.13*, Sellers have no indebtedness which is secured by the Assets or restricts the ability of Sellers to transfer the Assets to Buyer hereunder. Notwithstanding anything in the Agreement to the contrary, (a) all Liens other than Permitted Liens shall be released at the Closing and (b) in no event will Buyer assume any indebtedness of Seller, other than the Assumed Obligations.

2.14. Solvency. Neither Seller has, at any time, (a) made a general assignment for the benefit of creditors, (b) filed, or had filed against it, any bankruptcy petition or similar filing, (c) suffered the attachment or other judicial seizure of all or a substantial portion of its assets, (e) admitted in writing its inability to pay its debts as they become due, (d) been convicted of, or pleaded guilty or no contest to, any felony, or (f) taken or

been the subject of any legal action that may have an adverse effect on its ability to comply with or perform any of its covenants or material obligations under this Agreement.

2.15 Financial Statements. Sellers have provided Buyer with complete copies of the Sellers' financial statements consisting of the balance sheet of each Seller as at December 31 in each of the years 2021, 2020 and 2019 and the related statements of income, shareholder equity and cash flow for the years then ended (the "Annual Financial Statements"), and interim statements of Sellers consisting of the balance sheets as of August 31, 2022, and the related statements of income, shareholder equity and cash flow for the eight (8) month period then ended (the "Interim Financial Statements" and together with the Annual Financial Statements, the "Financial Statements"). The Financial Statements have been prepared on a consistent basis throughout the period involved, subject, in the case of the Interim Financial Statements, to normal and recurring year-end adjustments and the absence of notes (that, if presented, would not differ materially from those presented in the Annual Financial Statements). The Financial Statements are based on the books and records of the Sellers which are complete and correct in all material respects, and fairly present in all material respects the financial condition and operating results of the Sellers' as of the respective dates they were prepared and the results of the operations of the Sellers for the periods indicated. The Seller maintains a standard system of accounting which is operated and maintained in accordance with sound business practices. The transactions included in Sellers' accounting system represent actual, bona fide transactions. There are no related party transactions or off-balance sheet structures or transactions with respect to the Sellers or the Stations that are not included in the Financial Statements (for clarity, transactions between the Sellers included in the Financial Statements are not in breach of the foregoing).

2.16 Compliance with Law. Except as may be set forth in *Schedule 2.16*, (a) Sellers have complied in all material respects and is in compliance in all material respects with all laws, regulations, rules, writs, injunctions, ordinances, franchises, decrees or orders of any court or of any foreign, federal, state, municipal or other governmental authority which are applicable to the Stations or the Assets, (b) there is no action, suit or proceeding pending or, to Sellers' knowledge, threatened against Sellers in respect of the Stations or the Assets, and (c) there are no complaints, claims or investigations pending or, to Sellers' knowledge, threatened against Sellers in respect of the Stations or the Assets.

2.17 No Finder. Except for Robert L. Heymann, Jr. of Media Services Group (whose fees shall be paid by Sellers), 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 Sellers or any party acting on Sellers' behalf.

2.18 No Other Representations. Sellers disclaim any and all other representations and warranties (express or implied, oral or written), except as expressly set forth in this Article 2. Buyer specifically acknowledges that Sellers shall not be deemed to have made, and Buyer is in no way relying upon, any representation or warranty not expressly set forth in this Article 2, including with respect to materials, if any, previously delivered or made available to Buyer concerning the Assets.

### **ARTICLE 3: BUYER REPRESENTATIONS AND WARRANTIES**

Buyer represents and warrants to Sellers as follows:

3.1 Organization. Buyer is a corporation, duly incorporated, validly existing and in good standing under the laws of the State of Illinois. Buyer has the requisite power and authority to own and operate the Stations, to carry on the Station's business after Closing, and to execute, deliver and perform this Agreement and the documents to be made pursuant hereto.

3.2 Authorization. The execution, delivery and performance of this Agreement and the documents to be made pursuant hereto have been duly authorized and approved by all necessary action of Buyer (the "Buyer Authorization") and do not require any further authorization or consent of Buyer. This Agreement and the documents to be made pursuant hereto are legal, valid and binding agreements of Buyer enforceable in accordance with their respective terms, except in each case 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 documents to be made pursuant hereto does not conflict with any organizational documents of Buyer or any law, judgment, order, or decree to which Buyer is subject, and does not require the consent, approval or authorization, or filing with, any third-party or any court or governmental authority, except the FCC Consent, and except for counter-party consent to assign those Real Property Leases designated on *Schedule 1.1(c)* and Assumed Contracts designated on *Schedule 1.1(d)*.

3.4 Qualification. Buyer is legally and financially qualified to hold the FCC Licenses and operate the Stations under the Communications Act and the rules, regulations and policies of the FCC as they exist on the date of this Agreement. Buyer is not aware of any facts related to Buyer that would, under existing law, disqualify Buyer as an assignee of the FCC Licenses or as the owner and operator of any of the Stations. No waiver of or exemption from any existing FCC rule or policy on the part of Buyer is necessary for the FCC Consent to be obtained.

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.

3.6 Financing. Buyer on or before the Closing will have on hand or from committed funds financial resources sufficient to pay the Purchase Price at Closing and to operate the Stations after the Closing Date.



3.7 Solvency. Buyer has not, at any time, (a) made a general assignment for the benefit of creditors, (b) filed, or had filed against it, any bankruptcy petition or similar filing, (c) suffered the attachment or other judicial seizure of all or a substantial portion of its assets, (e) admitted in writing its inability to pay its debts as they become due, (d) been convicted of, or pleaded guilty or no contest to, any felony, or (f) taken or been the subject of any legal action that may have an adverse effect on its ability to comply with or perform any of its covenants or material obligations under this Agreement.

#### **ARTICLE 4: SELLER COVENANTS**

4.1 Covenants. From the date hereof until Closing, Sellers shall:

(a) operate the Stations in the ordinary course of business and keep its books and accounts, records and files in the ordinary course, and preserve the business and goodwill of the Stations and the Assets;

(b) operate the Stations in accordance with the terms of the FCC Licenses and in compliance with the Communications Act, FCC rules, regulations and policies, and all other applicable laws, rules and regulations, and maintain the FCC Licenses in full force and effect and, if applicable, timely file and diligently prosecute any necessary applications for renewal of the FCC Licenses;

(c) maintain the Tangible Personal Property in its present condition (ordinary wear and tear excepted) and otherwise preserve intact the Assets and maintain in effect its current insurance policies with respect to the Stations and the Assets;

(d) not, without the prior written consent of Buyer:

(i) sell, lease or otherwise dispose of any Assets, except for non-material dispositions in the ordinary course of business of items which are replaced by assets of comparable or superior kind, condition and value;

(ii) create, assume or permit to exist any Liens on the Assets (other than Liens in effect on the Effective Date which will be released at Closing, Permitted Liens), and not dissolve, liquidate, merge or consolidate with any other entity;

(iii) increase the compensation payable to any employee of the Stations, except in the ordinary course of business, or enter into any employment, labor or union agreement or plan (or amendments of any such existing agreements or plan) that will be binding upon Buyer after Closing;

(iv) modify any of the FCC Licenses; or

(v) amend or terminate any of the Real Property Leases or Assumed Contracts, or enter into any contract, lease or agreement with respect to the Stations, except for contracts covered by sub-Sections 1.1(d)(i)-(ii), and (iv), and contracts which will be fully performed by Sellers prior to Closing.

#### 4.2 Non-Compete and Non-Solicit.

(a) During the period commencing on the Closing Date and ending on the second anniversary of the Closing Date (the “Restricted Period”), Sellers shall not, and shall cause their respective affiliates not to, directly or indirectly, in any capacity, alone or in association or in connection with or on behalf of any other person or entity engage in, acquire, own any interest in, manage, operate, join, control, be employed by any radio broadcast, translator station or digital platform business that is considered by BIA/Kelsey as being in the same home market as that of any of the Stations (the “Restricted Business”), or participate in or be connected with, as a member, partner, director, stockholder, consultant or otherwise, permit them or their affiliates’ name to be used in connection with, or render advice to, any business that is engaged in the operation of any Restricted Business.

(b) During the Restricted Period, Sellers shall not, and shall cause its affiliates not to, directly or indirectly, in any capacity, alone or in association or in connection with or on behalf of any other person or entity, (i) solicit or entice, or attempt to solicit or entice, any person which, prior to or during the Restricted Period, is a current, former or prospective customer, client, advertising partner, advertiser or sponsor of the Stations (or successors to it) for purposes of diverting their business or services from the business of Buyer or (ii) hire or solicit any employee of Buyer and the Stations or encourage any such employee to leave such employment or hire any such employee who has left such employment. Nothing in this Section 4.2(b) shall prevent Sellers or its affiliates from (i) conducting a general solicitation, which may include advertising in publications or media of general circulation, including trade journals and similar media, (ii) soliciting any employee whose employment has been terminated by Buyer or who was never hired by Buyer upon consummation of this Agreement or (iii) soliciting after 180 days from the termination date of employment, any employee whose employment has been terminated by such employee.

(c) Notwithstanding any provision, the restrictions in Section 4.2(a), shall not apply with respect to Summer Studstill and Cory Lauer.

(d) Sellers acknowledge that a breach of this Section 4.2 would give rise to irreparable harm to Buyer, for which monetary damages would not be an adequate remedy, and hereby agrees that in the event of a breach by Sellers of any such obligations, Buyer shall, in addition to any and all other rights and remedies that may be available to it in respect of such breach, be entitled to equitable relief, including a temporary restraining order, an injunction, specific performance and any other relief that may be available from a court of competent jurisdiction (without any requirement to post bond). Sellers acknowledge that the restrictions contained in this Section 4.2 are reasonable and necessary to protect the legitimate interests of Buyer and constitute a material inducement to Buyer to enter into this Agreement and consummate the transactions contemplated by this Agreement. In the event that the terms of this Section 4.2 are deemed by a court to violate applicable law because they are too broad, then such court is expressly empowered to reform the violative provision, and such provision shall be deemed reformed, to the

maximum time, geographic, product or service or other limitations permitted by applicable law.

## **ARTICLE 5: JOINT COVENANTS**

5.1 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 on a confidential basis to the Parties' attorneys, accountants, investment bankers, investors and lenders, and their respective attorneys for the purpose of consummating the transaction contemplated by this Agreement.

5.2 Announcements. The Parties shall coordinate the timing of a mutually agreeable announcement and employee notice. Prior to such announcement and notice, no Party shall, without the prior written consent of the other, issue any press release or make any other public announcement concerning the transactions contemplated by this Agreement, except to the extent that either Party is otherwise obligated by law, in which case such Party shall give advance notice to the other, and except as necessary to enforce rights under or in connection with this Agreement. Notwithstanding the foregoing, the Parties acknowledge that this Agreement and the terms hereof and thereof will be filed with the FCC Applications and thereby become public, and that Sellers will provide local public notice of the FCC Applications as required by the FCC. Further notwithstanding the foregoing, after the filing of the FCC Applications, Media Services Group may issue a press release to announce that this Agreement has been entered into.

5.3 Control. Consistent with FCC rules, control, supervision and direction of the operation of the Stations prior to Closing shall remain the responsibility of Sellers as the holder of the FCC Licenses.

5.4 Risk of Loss. Sellers shall bear the risk of any loss of or damage to any of the Assets at all times prior to the Closing, and Buyer shall bear the risk of any such loss or damage thereafter. If prior to the Closing any material portion of Tangible Personal Property is damaged or destroyed or otherwise not in the condition described in Section 2.6 in any material respect (other than items that are obsolete and not necessary for the continued operations of the Stations), then Sellers shall use commercially reasonable efforts to repair or replace such item in all material respects in the ordinary course of business, but if such repair or replacement is not completed prior to Closing, then, at the Buyer's option, the Parties shall proceed to Closing, and as Buyer's sole remedy, the proceeds of any insurance covering such damage or destruction shall be assigned to Buyer at Closing, and, if Buyer elects to so proceed to Closing, Sellers' representations and warranties, and Buyer's pre-Closing termination rights and post-Closing indemnification rights, with respect to the affected Assets will thereby be deemed qualified solely to the extent necessary to take into account such damage or destruction and its remedy. To the extent Sellers comply with this Section 5.4 and Buyer opts to proceed to Closing, Sellers shall not be in breach of this Agreement with respect to such damaged or destroyed item of Tangible Personal Property. Notwithstanding any provision to the contrary in this

Section 5.4, in the event that the Assets cannot be substantially repaired or restored with thirty (30) days after such loss, or in the event that the reasonably estimated restoration cost exceeds \$50,000 in the aggregate, then either Party shall have the right to terminate the Agreement upon written notice to the other Party before Closing.

5.5 Transmission Default. Should any Station (other than WSPL) (i) not operate for any period in excess of forty eight (48) consecutive hours, or (ii) not operate at more than 90% of their maximum authorized power for a period of five (5) consecutive days before the Closing (unless by agreement with Sellers), or (iii) shall not be operating at more than 90% of maximum authorized power (unless by agreement with Sellers) as of the scheduled Closing Date (each a “Transmission Default”), Buyer at Buyer’s option may postpone the Closing for a period of up to thirty (30) days while Sellers attempt to cure the Transmission Default condition, and if such cure occurs within such thirty (30) day period, then the Parties shall consummate the transaction at the earliest practicable date thereafter, subject to satisfaction or waiver of the conditions set forth in ARTICLE 6 and 7. Buyer acknowledges that WSPL is currently operating at reduced power pursuant to special temporary authority and using a tower site (the “WSPL Site”) subject to an unwritten lease arrangement (“Current WSPL Lease”), and that Buyer will acquire any Assets related to WSPL in their current AS-IS, WHERE-IS operating condition.

5.6 Consents. Prior to Closing, Sellers shall obtain the Required Consents (defined below), and Sellers shall use commercially reasonable efforts to obtain the other consents noted on *Schedule 1.1(c)* and *Schedule 1.1(d)* hereto (which shall not require any payment to any such third-party). To the extent reasonably requested by Sellers, and at Sellers’ sole expense, Buyer shall use commercially reasonable efforts to cooperate to obtain such consents. To the extent that any Real Property Lease or Assumed Contract may not be assigned without the consent of any third-party, and such consent is not obtained prior to Closing, this Agreement and any assignment executed at Closing pursuant hereto shall not constitute an assignment thereof, but to the extent permitted by law shall constitute an equitable assignment by Sellers and assumption by Buyer of Sellers’ rights and obligations under the applicable Real Property Lease or Assumed Contract, with Sellers making available to Buyer the benefits thereof and Buyer paying any monies owed and performing and complying with the obligations thereunder on Sellers’ behalf. The notices and consents set forth on *Schedule 5.6* are conditions precedent to Buyer’s obligation to close under this Agreement (collectively, the “Required Consents”).

5.7 Employees.

(a) Buyer on the Closing Date may (but is not obligated to) offer employment to any of the Stations’ employees on terms and conditions established by Buyer, except for any employment agreement included in the Assumed Contracts. As soon as possible, Buyer shall notify Sellers in writing whether or not it is hiring each such employee. With respect to each employee hired by Buyer (“Transferred Employees”), Sellers shall be responsible for all compensation and benefits arising prior to the hire date for such Transferred Employees (in accordance with Sellers’ employment terms) and Buyer shall be responsible for all compensation and benefits arising after such hire date (in accordance with Buyer’s employment terms). Buyer and Sellers have each designated a

representative responsible for all communications related to employees of the Stations. If Buyer desires to interview any employee of any Station, Buyer's representative shall make arrangements to do so with Sellers' representative, and neither Buyer nor its representative shall communicate with any such employee except in an interview arranged in such manner.

(b) Buyer does not assume any of Sellers' employee obligations (including any severance obligations), all of which are Retained Obligations and not Assumed Obligations. Notwithstanding anything in this Agreement to the contrary, if any employment agreement included in the Assumed Contracts includes any deferred compensation or profit-sharing compensation triggered by the effectuation of this Agreement, then such obligations shall be Retained Obligations and not Assumed Obligations.

(c) Subject to the terms of Buyer's plans and the reasonable requirements of Buyer's plan administrator, Buyer shall permit Transferred Employees (and their spouses and dependents) to participate in its "employee welfare benefit plans," if any (including health insurance plans) and "employee pension benefit plans" (as defined in ERISA), in which similarly situated employees are generally eligible to participate, with coverage effective immediately upon hire (and without exclusion from coverage on account of any pre-existing condition), with service with Sellers deemed service with Buyer for purposes of any length of service requirements, waiting periods, vesting periods and differential benefits based on length of service, and with credit under any welfare benefit plan for any deductibles or co-insurance paid for the current plan year under any plan maintained by Sellers.

(d) If Buyer has a 401(k) plan, Buyer shall also permit each Transferred Employee who participates in Sellers' 401(k) plan to elect to make direct rollovers of their account balances into Buyer's 401(k) plan as soon as administratively feasible after they are hired, including the direct rollover of any outstanding loan balances such that they will continue to make payments under the terms of such loans under Buyer's 401(k) plan, subject to compliance with applicable law and subject to the reasonable requirements of Buyer's 401(k) plan.

(e) The terms of this Agreement are solely for the benefit of (and may be enforced only by) the Parties hereto and their respective successors and permitted assigns. Without limiting the foregoing, nothing in this Agreement gives any rights to any employee, and no employee may enforce any provision of this Agreement against any of the Parties hereto.

5.8 Accounts Receivable and Payable. The Seller A/R shall remain the property of Sellers, and Buyer shall not acquire any right or interest therein. During the ninety (90) day period following the Closing (the "Collection Period"), Buyer shall use commercially reasonable efforts (consistent with Sellers' past practice) to collect the Seller A/R and satisfy Sellers' trade payables ("Payables") incurred during such period from the Seller A/R proceeds. For each month during the Collection Period, Buyer shall remit to

Sellers any payments relating to the Seller A/R (less applicable Payables) together with a written accounting thereof (identifying the debtor/creditor, the amount outstanding/paid, and the amount collected/paid, etc.) within ten (10) business days after the end of each calendar month during the Collection Period. Sellers shall not attempt to collect any of the Seller A/R or pay any of the Payables during the Collection Period. If Sellers receive a payment from an account debtor of the Stations that relates to Seller A/R, Sellers shall retain such payment and Sellers shall promptly notify Buyer thereof. Any payment received by Buyer during the Collection Period which (i) is specifically designated in writing as a payment of a particular invoice, shall be applied to pay such invoice and (ii) is not specifically designated to a particular invoice, shall be presumptively applied by Buyer to the oldest customer invoice outstanding at that time, except when and to the extent such account debtor otherwise specifies. At the end of the Collection Period, Buyer shall turn back to Sellers any uncollected Seller A/R and unpaid Payables. Sellers may thereafter pursue collections of any outstanding Seller A/R and Buyer shall have no further obligation with respect to the Seller A/R.

#### 5.9 Final Order.

(a) For purposes of this Agreement, the term “Final” shall mean that action shall have been taken by the FCC (including action duly taken by the FCC’s staff, pursuant to delegated authority) which shall not have been reversed, stayed, enjoined, set aside, annulled or suspended; with respect to which no timely request for stay, petition for rehearing, appeal or certiorari or *sua sponte* action of the FCC with comparable effect shall be pending; and as to which the time for filing any such request, petition, appeal, certiorari or for the taking of any such *sua sponte* action by the FCC shall have expired or otherwise terminated.

(b) If the Closing occurs prior to FCC Consent becoming Final and prior to becoming Final the FCC Consent is reversed or otherwise set aside, and there is a Final order of the FCC (or court of competent jurisdiction) requiring the re-assignment of the FCC Licenses to Sellers, then the purchase and sale of the Assets shall be rescinded. In such event, Buyer shall reconvey to Sellers the Assets, and Sellers shall repay to Buyer the Purchase Price and reassume the contracts and leases assigned and assumed at Closing.

(c) Any such rescission shall be consummated on a mutually agreeable date within thirty (30) days of such Final order (or, if earlier, within the time required by such order). In connection therewith, Buyer and Sellers shall each execute such documents (including execution by Buyer of instruments of conveyance of the Assets to Sellers and execution by Sellers of instruments of assumption of the contracts and leases assigned and assumed at Closing) and make such payments (including repayment by Sellers to Buyer of the Purchase Price) as are necessary to give effect to such rescission.

5.10 WSPL Site. Following the execution of this Agreement and prior to Closing, Seller will introduce Buyer to the owner, or a representative of the owner, of the real property subject to the Current WSPL Lease (the “WSPL Site”). Buyer may, in Buyer’s discretion, attempt to negotiate a new lease with the landowner for Buyer’s use of the WSPL Site after Closing (a “New WSPL Lease”); provided, however, that in

connection with Buyer's interactions with the landlord, Buyer's shall use commercially reasonable efforts to not interfere with or disrupt Seller's relationship with the landowner and the effectiveness of the Current WSPL Lease until Closing. The New WSPL Lease shall also permit Seller (at no additional cost to Seller) to use the same ground space (and related rights) it is currently using to operate and maintain the tower and shelter located at the WSPL Site ("WSPL Tower Facility") in their current location. Buyer will employ commercially reasonable efforts to complete the New WSPL Lease by April 1, 2023. If Buyer does not enter into a New WSPL Lease, then at Closing Buyer shall cease operating WSPL from the WSPL Site and remove all Tangible Personal Property from the WSPL Site within thirty (30) days after the Closing Date. If Buyer enters into the New WSPL Lease, effective as of the Closing, Sellers hereby grant Buyer the right to continue to use the WSPL Tower Facility to operate WSPL at the WSPL Site for a period not to exceed six (6) months after the Closing Date (the "WSPL Transition Period"). Subject to Buyer's right to acquire the WSPL Tower Facility as provided below, Seller will be solely responsible for all costs and activities required to dismantle and dispose of the WSPL Tower Facility and restore the WSPL Site, including obtaining any permits involved with decommissioning the WSPL Tower Facility ("Decommissioning Obligations"). Notwithstanding the forgoing, if Buyer notifies Seller at least ten (10) days prior to the end of the WSPL Transition Period that Buyer intends to continue operations at the WSPL Site at the end of the WSPL Transition Period ("Continued Operation Election"), then (i) title to the assets associated with the WSPL Tower Facility shall transfer automatically to Buyer in AS-IS, WHERE-IS condition (and at no additional cost), (ii) Buyer shall be solely responsible for any required Decommissioning Obligations and (iii) (except for Retained Obligations, including any pre-Closing obligations under the Current WSPL Lease), Seller shall not be responsible for the Decommissioning Obligations and shall have no further obligations with respect to the WSPL Site or WSPL Tower Facility.

## **ARTICLE 6: SELLER CLOSING CONDITIONS**

The obligation of Sellers to consummate the Closing is subject to satisfaction of the following conditions at or prior to Closing:

### **6.1 Bringdown.**

(a) Each of the representations and warranties of Buyer contained in this Agreement was true and correct in all material respects as of the date when made and is deemed to be made again at Closing and is then true and correct in all material respects, except with respect to changes that are contemplated or permitted by this Agreement.

(b) Buyer shall have performed and complied in all material respects with each and every covenant and agreement required by the Agreement to be performed or complied with by Buyer prior to or at Closing.

(c) Sellers shall have received a certificate, dated as of Closing Date, from Buyer (executed by an authorized officer) to the effect that the conditions set forth in Sections 6.1(a) and 6.1(b) have been satisfied (the "Buyer Bringdown Certificate").

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

6.3 FCC Consent. The FCC Consent shall have been granted.

6.4 Deliveries. Buyer shall have made the deliveries to be made by it at Closing under this Agreement.

## **ARTICLE 7: BUYER CLOSING CONDITIONS**

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

### **7.1 Bringdown.**

(a) Each of the representations and warranties of Sellers contained in this Agreement was true and correct in all material respects as of the date when made and is deemed to be made again at Closing and is then true and correct in all material respects, except with respect to changes that are contemplated or permitted by this Agreement and except where the failure to be true and correct has not had, and would not reasonably be expected to have, a Material Adverse Effect.

(b) Sellers shall have performed and complied in all material respects with each and every covenant and agreement required by this Agreement to be performed or complied with by Sellers prior to or at Closing except where the failure to perform or comply with such covenant or agreement has not had, and would not reasonably be expected to have, a Material Adverse Effect.

(c) Buyer shall have received a certificate, dated as of the Closing Date, from Sellers (executed by an authorized officer) to the effect that the conditions set forth in Sections 7.1(a) and 7.1(b) have been satisfied (the “Seller Bringdown Certificate”).

(d) As used herein, “Material Adverse Effect” means any event, effect or change that, would have a material adverse effect on the business, property, or operations of the Stations (taken as a whole) except for events, effects and changes relating to the economy or to the broadcast industry in general. In addition, changes in the financial performance of the Stations, the decision by any advertiser as to whether or not to continue to advertise on the Stations, the continued employment of any employee, or any change in any Stations’ audience ratings shall not be considered to be Material Adverse Effects.

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

7.3 FCC Consent. The FCC Consent shall have been granted; provided however, that should any individual or entity file a petition to deny the FCC Applications,



then Buyer shall have the right to delay the Closing until such time as the FCC Consent shall have become Final.

7.4 Environmental Assessment. Buyer's environmental assessment on the Reviewed Property shall not have revealed any Environmental Condition that has not been remedied by Seller, provided Buyer ordered such environmental assessment within ten (10) days of the Effective Date, and has used commercially reasonable efforts to promptly complete such environmental assessment with sufficient time to reasonably permit Seller the opportunity to remedy such Environmental Condition prior to closing, pursuant to Section 1.9.

7.5 Title Issue. Buyer shall have not been denied title insurance (at its sole cost) customary for comparable transactions in the State of Illinois from a reputable national title company insuring title to the Reviewed Property free and clear of Liens other than Permitted Liens, provided Buyer ordered such title insurance commitments within ten (10) days of the Effective Date, and has used commercially reasonable efforts to obtain a decision regarding such title insurance with sufficient time to reasonably permit Seller an opportunity to remedy any defects prior to Closing.

7.6 New WSPL Lease. Buyer shall have entered into the New WSPL Lease; provided, however, in the event in the event Buyer is unable to secure the New WSPL Lease on terms reasonably acceptable to Buyer on or before May 1, 2023, then this condition shall be deemed waived by Buyer.

7.7 Deliveries. Sellers shall have made the deliveries to be made by it at Closing under this Agreement.

## **ARTICLE 8: CLOSING DELIVERIES**

8.1 Sellers Deliveries. At Closing, Sellers shall deliver or cause to be delivered:

- (a) a good standing certificate issued by Sellers' jurisdiction of incorporation;
- (b) a certified copy of the Seller Authorization;
- (c) the Seller Bringdown Certificate;
- (d) an Assignment and Assumption of FCC Licenses, in form and substance reasonably acceptable to Buyer, assigning the FCC Licenses and Other Licenses from Sellers to Buyer ("FCC Assignment");
- (e) a bill of sale, in form and substance reasonably acceptable to Buyer, conveying all Assets to Buyer ("Bill of Sale");
- (f) special warranty deeds conveying the Owned Real Property from Sellers to Buyer;

(g) an affidavit of non-foreign status of Sellers that complies with Section 1445 of the Code and any ownership affidavits required by Buyer's title company and any other documents reasonably required to transfer the Owned Real Property;

(h) an Assignment and Assumption of Real Property Leases, in form and substance reasonably acceptable to Buyer, assigning the Real Property Leases from Sellers to Buyer ("Lease Assignment");

(i) an Assignment and Assumption of Assumed Contracts, in form and substance reasonably acceptable to Buyer, assigning the Assumed Contracts from Sellers to Buyer ("Contract Assignment");

(j) domain name transfers assigning the Stations' domain names from Sellers to Buyer following customary procedures of the domain name administrator;

(k) endorsed vehicle titles conveying the vehicles included in the Tangible Personal Property to Buyer;

(l) a joint notice to the Escrow Agent to release the Escrow Deposit to Sellers;

(m) the Required Consents (if any);

(n) any additional consents to assignment reasonably requested by Buyer to be obtained by Sellers (if any);

(o) appropriate documentation necessary to release all Liens (if any), except for Permitted Liens, on the Assets; and

(p) any other documents and instruments of conveyance, assignment and transfer that may be reasonably necessary to convey, transfer and assign the Assets to Buyer, free and clear of Liens, except for Permitted Liens.

8.2 Buyer Deliveries. At the Closing, Buyer shall deliver to Sellers:

(a) a good standing certificate issued by Buyer's jurisdiction of incorporation;

(b) the Purchase Price in accordance with the terms of this Agreement (including the Additional Purchase Price if applicable);

(c) a joint notice to the Escrow Agent to release the Escrow Deposit to Sellers;

(d) a certified copy of the Buyer Authorization;

(e) the Buyer Bringdown Certificate;

- (f) Buyer's countersignature to the Bill of Sale;
- (g) the FCC Assignment;
- (h) the Lease Assignment;
- (i) the Contract Assignment; and
- (h) any other documents and instruments of assumption that may be reasonably necessary to assume the Assumed Obligations.

## **ARTICLE 9: SURVIVAL AND INDEMNIFICATION**

9.1 Survival. The representations and warranties in this Agreement shall survive Closing for a period of twelve (12) months from the Closing Date ("Survival Period") whereupon they shall expire and be of no further force or effect, except that (a) the representations and warranties contained in Sections 2.1 (Organization), 2.2 (Authorization), 2.3 (Conflicts), 2.5 (Taxes), 2.9 (Environmental), 2.11 (Employee Benefits), 2.12 (Assets) (but solely with respect to title), 2.13 (Indebtedness), 2.17 (No Finder), 3.1 (Organization), 3.2 (Authorization) 3.3 (Conflicts), and 3.5 (No Finder) shall survive until the expiration of any applicable statute of limitations, and (c) if within such period the indemnified Party gives the indemnifying Party written notice pursuant to Section 9.3(a) of a claim for breach thereof describing in reasonable detail the nature and basis of such claim, then such claim shall survive until the earlier of resolution of such claim or expiration of the applicable statute of limitations. The covenants in this Agreement shall survive Closing until performed.

### 9.2 Indemnification.

(a) From and after Closing, Sellers shall defend, indemnify and hold harmless Buyer from and against any and all losses, costs, damages, liabilities and expenses, including reasonable attorneys' fees and expenses ("Damages") incurred by Buyer arising out of or resulting from:

- (i) any breach by a Seller of its representations and warranties under this Agreement;
- (ii) any default by a Seller of its covenants and agreements under this Agreement;
- (iii) the Retained Obligations; and
- (iv) without limiting the foregoing, the business or operation of the Stations prior to Closing (including any third-party claim arising from such operations).

(b) From and after Closing, Buyer shall defend, indemnify and hold harmless Sellers from and against any and all Damages incurred by Sellers arising out of or resulting from:

(i) any breach by Buyer of its representations and warranties under this Agreement;

(ii) any default by Buyer of its covenants and agreements under this Agreement;

(iii) the Assumed Obligations; and

(iv) without limiting the foregoing, the business or operation of the Stations after Closing (including any third-party claim arising from such operations).

(c) Notwithstanding the foregoing or anything else herein to the contrary (except as otherwise specifically set forth below), after Closing, (i) Sellers shall have no liability to Buyer under Section 9.2(a)(i) until Buyer's aggregate Damages exceed \$30,000 ("Basket") (at which point Sellers shall be liable for all Damages incurred by Buyer in excess of the Basket) and (ii) the maximum aggregate liability of Sellers under Section 9.2(a)(i) shall be Five Hundred Thousand Dollars (\$500,000.00).

### 9.3 Procedures.

(a) The indemnified Party shall give prompt written notice to the indemnifying Party of any demand, suit, claim or assertion of liability by a third-party that is subject to indemnification hereunder (a "Claim"), but a failure to give such notice or delaying such notice shall not affect the indemnified Party's rights or the indemnifying Party's obligations, except to the extent the indemnifying Party's ability to remedy, contest, defend or settle with respect to such Claim is thereby prejudiced.

(b) The indemnifying Party shall have the right to undertake the defense or opposition to such Claim with counsel reasonably satisfactory to the Parties. In the event that the indemnifying Party does not undertake such defense or opposition in a timely manner, the indemnified Party may undertake the defense, opposition, compromise or settlement of such Claim with counsel selected by it at the indemnifying Party's cost, provided, however, that except as permitted by Section 9.3(c), there shall be no settlement or compromise with respect to such claim without the prior written consent of the indemnifying Party. If the indemnifying Party does not agree to such settlement or compromise, it will undertake all costs of defending the claim and the other Party shall not agree to such settlement or compromise.

(c) Notwithstanding anything herein to the contrary:

(i) the indemnified Party shall have the right, at its own cost and expense, to participate in the defense, opposition, compromise or settlement of any Claim, and shall have the right to consult with the indemnifying Party and its counsel concerning

any Claim, and the indemnifying Party and the indemnified Party shall cooperate in good faith with respect to any Claim;

(ii) the indemnifying Party shall not, without the indemnified Party's written consent, settle or compromise any Claim or consent to entry of any judgment which does not include a release of the indemnified Party from all liability in respect of such Claim; and

(iii) the indemnified Party shall not, without the indemnifying Party's written consent, settle or compromise any Claim or consent to entry of any judgment which does not include a release of the indemnifying Party from all liability in respect of such Claim.

(d) Retention of Funds by Mendota. For a period of time and to the extent as reasonably necessary under applicable law with respect to the winding down and dissolution of Illinois corporations, Mendota agrees to retain and not distribute to its respective owners that portion of the Purchase Price which may be reasonably necessary to satisfy any Retained Obligations of either Seller (including those listed in *Schedule 2.16*) and Seller's indemnification obligations under Section 9.2. Mendota shall not take any actions to dissolve, terminate or otherwise fail to maintain its corporate existence except as permitted under applicable law. Unless otherwise required by applicable law, Mendota's obligation under this Section 9.3(d) shall terminate at end of the Survival Period.

## **ARTICLE 10: TERMINATION AND REMEDIES**

10.1 Termination. This Agreement may be terminated prior to Closing as follows:

(a) by mutual written consent of Buyer and Sellers;

(b) by written notice of Buyer to Sellers if Sellers:

(i) do not perform or comply with any of the obligations to be performed or complied with by it under this Agreement within the Cure Period (defined below) except where the performance or failure to comply with such covenant or agreement (x) is no longer possible, and (y) has not had and is not reasonably expected to have, a Material Adverse Effect; or

(ii) breach any of their representations or warranties contained in this Agreement and do not cure such breach within the Cure Period;

(iii) by Buyer as provided in Sections 5.4 (Risk of Loss) and 5.5 (Transmission Default).

(c) by written notice of Sellers to Buyer if Buyer:

(i) does not perform or comply with any of the obligations to be performed or complied with by it under this Agreement within the Cure Period except

where the failure to perform or comply with such covenant or agreement has not and would not reasonably be expected to preclude Buyer from consummating the transaction on the terms provided in the Agreement; or

(ii) breaches any of its representations or warranties contained in this Agreement which breach has not been cured within the Cure Period except where such failure or breach has not, and would not reasonably be expected to preclude Buyer from consummating the transaction on the terms provided in the Agreement;

(d) by written notice of Buyer to Sellers, or by Sellers to Buyer, if the Closing does not occur within twelve (12) months of the Effective Date; provided, however, that the right to terminate this Agreement under this clause shall not be available to any Party whose breach of this Agreement has been the cause of, or resulted in, the failure of the Closing to occur on or before such date.

The term “Cure Period” as used herein means a period commencing the date Buyer or Sellers receive from the other written notice of breach or default hereunder and continuing until the earlier of (i) thirty (30) calendar days thereafter or (ii) the Closing Date determined under Section 1.7; provided, however, that if the breach or default is non-monetary and cannot reasonably be cured within such thirty (30) day period but can be cured before the Closing Date determined under Section 1.7, and if diligent efforts to cure promptly commence, then the Cure Period shall continue as long as such diligent efforts to cure continue, but not beyond the Closing Date determined under Section 1.7. Termination of this Agreement shall not relieve any Party of any liability for breach or default under this Agreement prior to the date of termination. Notwithstanding anything contained herein to the contrary, 5.1 (Confidentiality), 5.2 (Announcements), 10.3 (Liquidated Damages), 10.4 (Attorneys’ Fees) and 11.1 (Expenses) shall survive any termination of this Agreement.

10.2 Specific Performance. In the event of a material breach by Sellers of any representation, warranty, covenant or agreement under this Agreement, at Buyer’s election, Buyer shall be entitled to an injunction restraining any such breach or threatened breach and to enforcement of this Agreement by a decree of specific performance requiring Sellers, after receipt of all required governmental consents, to fulfill its obligations under this Agreement.

### 10.3 Damages upon Termination; Liquidated Damages.

(a) In the event that this Agreement is terminated as a result of the breach of its terms by Buyer, including Buyer’s wrongful refusal to close, then Sellers’ sole remedy for Buyer’s breach of this Agreement shall be termination of this Agreement and receipt of the Escrow Deposit (along with any accrued interest and attorney’s fees and costs owed pursuant to Section 10.4) as liquidated damages and not as a penalty (“Liquidated Damages”). Upon such termination, the Parties shall cause the Escrow Agent to deliver the Liquidated Damages to Sellers. THE RECEIPT OF THE LIQUIDATED DAMAGES BY SELLERS SHALL BE CONSIDERED LIQUIDATED DAMAGES AND NOT A PENALTY AND SHALL BE SELLERS’ SOLE REMEDY AT LAW OR

IN EQUITY FOR A BREACH HEREUNDER IF CLOSING DOES NOT OCCUR. BUYER AND SELLERS EACH ACKNOWLEDGE AND AGREE THAT THIS LIQUIDATED DAMAGES AMOUNT IS REASONABLE IN LIGHT OF THE ANTICIPATED HARM WHICH WILL BE CAUSED BY A BREACH OF THIS AGREEMENT BY BUYER, THE DIFFICULTY OF PROOF OF LOSS, THE INCONVENIENCE AND NON-FEASIBILITY OF OTHERWISE OBTAINING AN ADEQUATE REMEDY, AND THE VALUE OF THE TRANSACTION TO BE CONSUMMATED HEREUNDER.

(b) Upon a termination of this Agreement due to a breach by Sellers of any of their obligations under this Agreement, the Parties shall cause the Escrow Agent to deliver the Escrow Deposit to Buyer (along with any accrued interest) and Buyer may seek all rights and remedies that it may have in equity or at law.

(c) Upon a termination of this Agreement for any reason other than as a result of a breach by Buyer of any of Buyer's obligations under this Agreement, the Parties shall cause the Escrow Agent to deliver the Escrow Deposit to Buyer (along with any accrued interest) and thereafter neither Party will have any further liability or obligation to the other with respect to this Agreement, except with respect to any provisions herein that by their terms survive termination.

10.4. Attorneys' Fees. In any proceeding brought under the terms of this Agreement, the Party that substantially prevails on the merits shall be entitled to receive, in addition to the receipt of any damages or other relief as set forth herein, reasonable attorneys' fees and costs incurred in bringing such action.

#### **ARTICLE 11: MISCELLANEOUS.**

11.1 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. Buyer, on one hand, and Sellers, on the other hand, shall share equally all fees for recordation, transfer and documentary taxes, and any excise, sales or use taxes, and all conveyance fees, recording charges and other fees and charges (including any penalties and interest) incurred in connection with or imposed by reason of the consummation of the transactions contemplated by this Agreement and Buyer and Sellers shall share equally the fees required to be paid to the FCC for the FCC Applications and the Escrow Agent for the Escrow Deposit.

11.2 Further Assurances. Each Party shall, from time to time, upon the request of the other Party, execute, acknowledge and deliver to the other Party such other documents or instruments, and take any and all actions as are reasonably necessary for the implementation and consummation of the transactions contemplated by this Agreement.

11.3 Notice of Proceedings. Buyer or Sellers, as the case may be, will promptly and in any case within five (5) business days notify the other in writing upon becoming

aware of any pending or threatened order or similar issuance restraining or enjoining the consummation of this Agreement or the transactions contemplated hereunder.

11.4. Notices. Any notice, request, demand or consent required or permitted to be given under this Agreement shall be in writing and shall be effective on the date of delivery when delivered personally or by a nationally recognized overnight courier service maintaining records of delivery receipt, including FedEx, DHL and United Parcel Service; in each case to the following address, as applicable:

If to Sellers to:           Mendota Broadcasting, Inc.  
832 Charles Place  
Peru, IL 61354  
Attention: Cole Studstill  
Email: [cole@studstillmedia.com](mailto:cole@studstillmedia.com)

Laco Radio, Inc.  
4162 E. 3rd Road  
Mendota, IL 61342  
Attention: Julia S. Studstill

with a copy (which shall not constitute notice) to:

Coe W. Ramsey, Esq.  
Noah L. Hock, Esq.  
Brooks, Pierce, McLendon, Humphrey & Leonard, L.L.P.  
1700 Wells Fargo Capital Center  
150 Fayetteville Street  
Raleigh, NC 27601  
Email: [cramsey@brookspierce.com](mailto:cramsey@brookspierce.com)  
[nhock@brookspierce.com](mailto:nhock@brookspierce.com)  
Phone: (919) 893-0300

If to Buyer to:           Shaw Suburban Media Group, Inc.  
113 S. Peoria Ave.  
Dixon, IL 61021  
Attention: Tom Shaw  
Email: [jtshaw@shawmedia.com](mailto:jtshaw@shawmedia.com)  
Phone:

with a copy (which shall not constitute notice) to:



David D. Oxenford, Esq.  
Paige K. Fronabarger, Esq.  
Wilkinson, Barker, Knauer LLP  
1800 M Street, NW, Suite 800N  
Washington, DC 20036  
Email: [doxenford@wbklaw.com](mailto:doxenford@wbklaw.com)  
[pfronabarger@wbklaw.com](mailto:pfronabarger@wbklaw.com)  
Phone: (202) 783-4141

or at such other address as either Party shall specify by notice to the other.

11.5. Headings, Amendment. The section and subsection headings do not constitute any part of this Agreement and are inserted herein for convenience of reference only. This Agreement may not be amended, modified or changed orally, but only in writing signed by the Party against whom enforcement of any amendment, modification, change, waiver, extension or discharge is sought.

11.6 Waiver. No waiver of a breach of, or default under, any provision of this Agreement shall be deemed a waiver of such provision or of any subsequent breach or default of the same or similar nature or of any other provision or condition of this Agreement.

11.7 Binding Effect and Assignment. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their successors and permitted assigns. Neither this Agreement nor any obligation hereunder shall be assignable by either Party except with the prior written consent of the other Party which consent may not be unreasonably delayed, conditioned or withheld.

11.8 Counterparts. This Agreement (and any other document delivered in connection with this Agreement) may be executed in counterparts, each of which shall be deemed an original, but which taken together shall constitute one agreement. This Agreement (and any other document delivered in connection with this Agreement) may be executed via electronic or digital signature and exchanged by facsimile or other electronic transmission, (including via DocuSign) with the same legal effect as if the signatures had appeared in original handwriting on the same physical document. At the request of either Party hereto or to any such agreement or instrument, each other Party hereto or thereto shall re-execute original forms thereof and deliver them to the other Party. No Party hereto or to any such agreement or instrument shall raise the execution of this Agreement by digital or electronic signature or Portable Document Format (pdf) to deliver a signature or the fact that any signature or agreement or instrument was executed digitally or transmitted or communicated through the use of a facsimile machine or other electronic means as a defense to the formation of a contract and each such Party forever waives any such defense.

11.9 Exhibits, Schedules and Appendices. The exhibits and schedules attached to this Agreement are incorporated herein and shall be considered a part of this Agreement for the purposes stated herein, except that in the event of any conflict between any of the

provisions of such exhibits and the provisions of this Agreement, the provisions of this Agreement shall control.

11.10 Rights Cumulative. Except as set forth herein, all rights, powers and remedies herein given to Buyer and Sellers are cumulative and not alternative and are in addition to all statutes or rules of law.

11.11 Governing Law. This Agreement, and the rights and obligations of Buyer and Sellers hereunder, shall be governed by and construed in accordance with the laws of the State of Illinois applicable to contracts made and to be performed therein. The prevailing Party in a lawsuit brought to enforce the performance or compliance of any provision of this Agreement may recover reasonable attorneys' fees and costs from the non-prevailing Party.

11.12. 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.

11.13. Third Party Rights. Neither Sellers nor Buyer assumes any duty hereunder to any other person or entity, and this Agreement shall operate exclusively for the benefit of the Parties hereto and their respective affiliates and not for the benefit of any other person or entity.

11.14 Drafting Ambiguities. Each Party to this Agreement and its counsel have reviewed and revised this Agreement. The normal rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation of this Agreement or of any amendments, schedules, appendices or exhibits to this Agreement.

11.15 Entire Agreement. This Agreement, the Escrow Agreement and the schedules and exhibits hereto and thereto constitute the entire contract between the Parties hereto pertaining to the subject matter hereof and supersede all prior and contemporaneous agreements and understandings between the Parties with respect to such subject matter.

11.16 Interpretation. Unless the context of this Agreement otherwise requires, (i) words of any gender include each other gender; (ii) words using the singular or plural number also include the plural or singular number, respectively; (iii) the terms "hereof," "herein," "hereby" and derivative or similar words refer to this entire Agreement; (iv) the terms "Article" or "Section" refer to the specified article or section of this Agreement; (v) the terms "Exhibit," and "Schedule," whether or not capitalized, refer to the exhibits, appendices and schedules to this Agreement; (vi) the word "or" will be deemed to include both its disjunctive and conjunctive meanings; and (vii) the term "including" and similar or derivative words will be deemed to be followed by the words "without limitation." Whenever this Agreement refers to a number of days, that number will refer to calendar days unless business days are specified. As used herein, (x) "business day" means any day

other than Saturday, Sunday or any day on which banks located in Chicago, Illinois are authorized or obligated to close, and (y) “affiliate” means, with respect to any natural person or entity, any other natural person or entity that controls, is controlled by, or is under common control with, such natural person or entity.

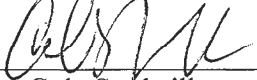
[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

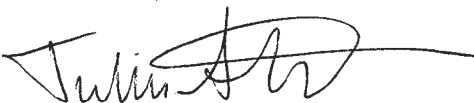
IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the date first set forth above.

**SELLER:**

**MENDOTA BROADCASTING, INC.**

By:   
Name: Cole Studstill  
Title: President

**LACO RADIO, INC.**

By:   
Name: Julia S. Studstill  
Title: President

**BUYER:**

**SHAW LOCAL RADIO CO.**

By: \_\_\_\_\_  
Name:  
Title:

**SFH:**

**SHAW FAMILY HOLDINGS, INC.,** solely with  
respect to the Escrow Deposit

By: \_\_\_\_\_  
Name:  
Title:

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the date first set forth above:


**SELLER:** **MENDOTA BROADCASTING, INC.**

By: \_\_\_\_\_  
 Name: Cole Studstill  
 Title: President

**LACO RADIO, INC.**

By: \_\_\_\_\_  
 Name: Julia S. Studstill  
 Title: President

**BUYER:** **SHAW LOCAL RADIO CO.**

By:   
 Name: John Rung  
 Title: President & CEO

**SFH:** **SHAW FAMILY HOLDINGS, INC.**, solely with respect to the Escrow Deposit

By:   
 Name: Marcia Hahn  
 Title: President