

**ASSET PURCHASE AGREEMENT**

**by and between**

**Thunder Bay Broadcasting Corporation**

**Lake Superior Community Broadcasting Corporation,**

**Houghton Community Broadcasting Corporation,**

**Iron River Community Broadcasting Corporation AND**

**SAMCO REALTY CORPORATION**

**as Seller,**

**and**

**EVENING TELEGRAM COMPANY D/B/A MORGAN MURPHY MEDIA**

**as Buyer**

**Dated: August 31, 2023**

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## **ASSET PURCHASE AGREEMENT**

This Asset Purchase Agreement (this “**Agreement**”), dated as of August 31, 2023, (“**Execution Date**”) is made and entered into by and among (i) Thunder Bay Broadcasting Corporation, a Michigan corporation, Lake Superior Community Broadcasting Corporation, a Michigan corporation (“**Lake Superior**”), SAMCO Realty Corporation, a Michigan corporation (“**SAMCO**”), Houghton Community Broadcasting Corporation, a Michigan corporation, and Iron River Community Broadcasting Corporation, a Michigan corporation (collectively, “**Seller**”) and (ii) Evening Telegram Company d/b/a Morgan Murphy Media, a Wisconsin corporation (“**Buyer**”).

### **BACKGROUND:**

Seller owns and operates, or holds a valid construction permit for, the following broadcast stations:

WBKB-TV, Alpena, MI (Facility ID No. 67048);  
WBUP(TV), Ishpeming, MI (Facility ID No. 59281)(“**WBUP**”);  
WBKP(TV), Calumet, MI (Facility ID No. 76001) (“**WBKP**”);  
WHKB(FM), Houghton, MI (Facility ID No. 27690);  
WOLV(FM), Houghton, MI, (Facility ID No. 65673);  
WCCY(AM), Houghton, MI (Facility ID No. 65672);  
FM Translator W257CZ, Houghton, MI (Facility ID No. 145147);  
Construction Permit for WHBS(FM), Houghton, MI (Facility ID No. 762384) (“**WHBS**”);  
WIKB-FM, Iron River, MI (Facility ID No. 49683);  
WFER(AM), Iron River, MI (Facility ID No. 49684); and  
FM Translator W250CQ(FX), Iron River, MI, (Facility ID No. 200556) (each a “**Station**”, and collectively the “**Stations**”).

Seller desires to sell, assign and transfer to Buyer, and Buyer desires to purchase and assume from Seller the Assets and the Assumed Liabilities of the Stations, on the terms and subject to the conditions set forth herein.

### **AGREEMENT:**

In consideration of the above premises, the mutual covenants, conditions and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

#### **1. Sale and Purchase of Assets.**

1.1. **Sale of Assets to Buyer.** At the Closing, subject to the satisfaction or valid waiver of the conditions set forth in **Section 8**, Seller shall sell and assign to Buyer and Buyer shall purchase and acquire, all of Seller’s right, title and interest in and to the Assets, free and clear of any and all Liens other than Permitted Liens.

1.2. Excluded Assets. Seller shall not transfer, assign or sell, and Buyer shall not purchase or acquire from Seller, any of the Excluded Assets.

1.3 Assumption of Liabilities.

(a) At the Closing, subject to the satisfaction or valid waiver of the conditions set forth in **Section 8**, Buyer shall assume, pay, perform and discharge all of the Assumed Liabilities. Buyer shall be entitled to assert any defense against a Third Party with respect to an Assumed Liability. Seller shall make its representatives available for consultation with Buyer as Buyer reasonably may request with respect to any facts in Seller's possession relevant to such defense relating to periods prior to the Closing upon reasonable notice, during normal business hours, and for reasonable periods of time.

(b) Buyer shall not assume, and shall not pay, perform or discharge, any other Liabilities or obligations of Seller, relating to the Stations, the Seller or otherwise, and Seller shall retain, pay, perform and discharge all Liabilities or obligations of Seller other than the Assumed Liabilities (including the Retained Liabilities).

(c) Notwithstanding anything to the contrary in this Agreement, Buyer shall not assume any obligations of Seller under those historical trade, barter or similar agreements involving the exchange of airtime or advertising on the Stations for goods or services which are identified on **Schedule 1.3(c)**.

1.4. Marquette Studio Lease. At Closing, SAMCO and Buyer shall enter into a new lease in the form attached as Exhibit A hereto ("**Marquette Studio Lease**") which will permit Buyer to utilize the Suite 5 of the office building located at 1705 Ash Street, Ishpeming, Michigan 49849 ("**Marquette Office Building**") from and after Closing.

2. Purchase Price.

2.1 Purchase Price. In consideration for the Assets, pursuant to the terms and subject to the conditions of this Agreement, at Closing Buyer shall (i) assume the Assumed Liabilities from Seller and (ii) pay Thirteen Million Three Hundred Seventy-Five Thousand and 00/100 Dollars (\$13,375,000.00), (collectively, the "**Purchase Price**"), as follows: (A) Buyer shall pay Twelve Million Seventy-Five Thousand and 00/100 Dollars (\$12,075,000.00) (the "**Base Purchase Price**"), subject to adjustments as described in **Sections 2.2** and **2.3**, to Seller by wire transfer of immediately available funds in accordance with the written instructions of Seller; and (B) the parties shall cause the Escrow Agent to deliver the APA Deposit Escrow to Seller, and at the election of the Buyer, the portion of the interest and earnings thereof specified by the Buyer as a further credit against the Purchase Price by wire transfer of immediately available funds in accordance with the written instructions set forth in the joint instructions. Within two (2) Business Days of the Execution Date, Buyer will deliver the APA Deposit Escrow to the Escrow Agent to hold in accordance with and subject to the terms of this Agreement and the Deposit Escrow Agreement.

**2.2      Prorations as of Closing.**

(a) Subject to paragraphs (b) below, the Base Purchase Price shall be subject to adjustment to reflect the principle that all revenues, expenses, costs and Liabilities (other than Retained Liabilities) arising from the ownership and operation of the Assets and the business of the Stations, including, without limitation, tower rental, business and license fees, utility charges, real and personal property Taxes and assessments levied against the Assets and rebates thereof, property and equipment rentals, sales commissions or other fees payable, applicable copyright or other fees, including sales and service charges, Taxes (except for Taxes arising from the transfer of the Assets pursuant to this Agreement and except for a party's income taxes), any accrued expenses, any unsatisfied FCC Liabilities, FCC regulatory fees (for which Buyer shall be responsible only for the pro-rated portion of the fees), music and other license fees and similar prepaid and deferred items, shall be prorated between Buyer and Seller to effect the principle that Seller shall receive all revenues and shall be responsible for all expenses, costs and Liabilities arising from the ownership and operation of the Assets and allocable to the business of the Stations for the period ended immediately prior to the Effective Time (other than the Assumed Liabilities), and Buyer shall receive all revenues and shall be responsible for all expenses, costs and Assumed Liabilities (but no other Liabilities) arising from the ownership and operation of the Assets and allocable to the business of the Stations, as applicable, for the period commencing immediately on and after the Effective Time. For purposes of such proration, real property Taxes for the Tax year in which the Closing occurs shall be prorated as of the Closing Date in the customary method (as determined by the Title Company) used in the county in which the Owned Real Property is located. All utilities will be apportioned based on final meter readings and final invoices if obtainable; otherwise equitably prorated based upon the most recent billing period.

(b) Notwithstanding anything else in this **Section 2.2** to the contrary, any prorations and adjustments pursuant to **Section 2.2(a)** shall be subject to the following:

(i) Except as provided in **Section 7.12(a)**, in no event shall Buyer be liable for any accrued but unused paid time off (unless Buyer agrees to assume such obligations and receives a closing credit for the value of such leave);

(ii) There shall be no proration for or in respect of the Excluded Assets or the Retained Liabilities (other than credits for Seller's contract prepayments that cover periods after Closing or as otherwise agreed to at Closing by Buyer and Seller), and Buyer shall not be responsible for any obligation or Liability that is not an Assumed Liability; and

(iii) Except as otherwise provided in **Section 7.12**, in no event shall Buyer be liable for any bonus or any other compensation payable to any employees of Seller as a result of or in connection with the transaction contemplated herein, including stay or retention bonuses or change of control payments, all of which shall be the responsibility of Seller.

(c) The parties agree that there shall be no proration or adjustment for (i) any positive imbalance in the value of rights and obligations which exist at Closing under trade, barter or similar agreements involving the exchange of airtime or advertising on the Stations for goods or services (“**Trade Agreements**”) or (ii) any negative imbalance in the value of rights and obligations which exist at Closing under Trade Agreements in excess of \$50,000 (“**Trade Threshold**”). At least ten (10) days prior to Closing, Buyer and Seller shall review the rights and obligations which are expected to exist at Closing under the Trade Agreements. If the parties believe a negative trade imbalance will exist at Closing in excess of the Trade Threshold, then the parties shall work together to decide on the appropriate course of action for such excess. As used herein, a trade “imbalance” shall be deemed to exist with respect to the Trade Agreements when the fair market value of airtime or advertising to be provided by the Stations after the Effective Time exceeds (*i.e.*, a negative imbalance), or conversely, is less than (*i.e.*, a positive imbalance), the fair market value of corresponding goods and services to be received by the Stations after the Effective Time.

### 2.3 Adjustment to Purchase Price.

(a) Determination of Estimated Purchase Price Adjustment Statement. Seller shall prepare and deliver to Buyer a written statement of its good faith estimate of (i) any prorations required by **Section 2.2(a)** and (ii) credits for accrued but unused vacation days and personal days of Transferred Employees as of the Effective Time as described in **Section 7.12(b)**, and the Purchase Price based thereon (the “**Estimated Purchase Price Adjustment Statement**”) no fewer than five (5) days prior to the Closing Date. The Estimated Purchase Price Adjustment Statement shall be prepared in accordance with GAAP consistently applied and on the same basis and applying the same accounting principles, policies and practices that were used in preparing the Financial Statements; provided, however, that for purposes of **Sections 2.3(a), 2.3(b), and 2.3(c)** the Estimated Purchase Price Adjustment Statement shall exclude: (i) any proration of income or expense with regard to Accounts Receivable; and (ii) all allowances for bad debts. Seller will afford Buyer reasonable access to all records and work papers used in preparing the Estimated Purchase Price Adjustment Statement and the Buyer will notify Seller of any good faith disagreement with such calculation within three (3) days of receiving the Estimated Purchase Price Adjustment Statement.

(b) Estimated Purchase Price Adjustment Statement Adjustment. If the Estimated Purchase Price Adjustment Statement requires a decrease in the Base Purchase Price, such adjustment shall be effected by a reduction in the Base Purchase Price. If the Estimated Purchase Price Adjustment Statement requires an increase in the Base Purchase Price, such adjustment shall be effected by an increase in the Base Purchase Price.

(c) Determination of Final Purchase Price Adjustment Statement. Within ninety (90) days after the Closing Date, Buyer shall determine, and deliver to Seller, a written statement of (i) any prorations required by **Section 2.2(a)** and (ii) credits for accrued but unused vacation days and personal days of Transferred Employees as of the

Effective Time as described in **Section 7.12(b)**, and the Purchase Price based thereon (the **“Final Purchase Price Adjustment Statement”**) using the same methodology and the same accounting principles, policies and practices as were used for the Estimated Purchase Price Adjustment Statement, including the exclusion of: (i) all Accounts Receivable; and (ii) all allowances for bad debts. Buyer will afford Seller reasonable access to all records and work papers used in preparing the Final Purchase Price Adjustment Statement.

(d) Disputes. If, within thirty (30) days following receipt of the Final Purchase Price Adjustment Statement by Seller, Seller has not given Buyer written notice of its objection to any calculation contained therein (which notice shall state the reasonable basis of Seller’s objection and specify the amount of the dispute), then the Final Purchase Price Adjustment Statement and the Purchase Price set forth therein calculated by Buyer shall be binding and conclusive on the parties. If, on the other hand, Seller duly gives Buyer such written notice of objection, and if Seller and Buyer fail to resolve the issues outstanding contained in the Final Purchase Price Adjustment Statement within thirty (30) days of Buyer’s receipt of Seller’s objection notice, Seller and Buyer shall submit the issues remaining in dispute to a firm of independent certified public accountants as the parties shall mutually agree (the **“Independent Accountants”**) for resolution applying the principles, policies and practices referred to in **Section 2.3(a)**. If issues are submitted to the Independent Accountants for resolution, (i) Seller and Buyer shall furnish or cause to be furnished to the Independent Accountants such work papers and other documents and information relating to the disputed issues as the Independent Accountants may reasonably request and as are available to that party or its agents and shall be afforded the opportunity to present to the Independent Accountants any additional material relating to the disputed issues and to discuss the issues with the Independent Accountants; (ii) the determination by the Independent Accountants, as set forth in a written notice to be delivered to both Seller and Buyer within sixty (60) days of the submission to the Independent Accountants of the issues remaining in dispute, shall be final, binding and conclusive on the parties (absent manifest error) and shall be used in the calculation of the Purchase Price; and (iii) each party shall bear fifty percent (50%) of the fees and costs of the Independent Accountants for such determination.

(e) Final Purchase Price Adjustment. The Purchase Price, as adjusted pursuant to **Section 2.3(d)**, shall be further increased or decreased by the amount, if any, by which the Purchase Price set forth in the Final Purchase Price Adjustment Statement is greater than or less than, respectively, the Purchase Price set forth in the Estimated Purchase Price Adjustment Statement (the **“Final Purchase Price Adjustment”**). If the Purchase Price set forth in the Final Purchase Price Adjustment requires a decrease in the Base Purchase Price, then such adjustment shall be effected by a payment in cash by Seller to Buyer within five (5) Business Days after the final determination of the Final Purchase Price Adjustment. If the Purchase Price set forth in the Final Purchase Price Adjustment requires an increase in the Base Purchase Price, then such adjustment shall be effected by payment in cash by Buyer to Seller within five (5) Business Days after the final determination of the Final Purchase Price Adjustment.

2.4 Allocation of Purchase Price. Seller and Buyer shall use commercially reasonable efforts to agree, within sixty (60) days after the Closing Date, on the allocation of the Purchase Price (and other amounts, including Assumed Liabilities, taken into account as purchase price for tax accounting purposes) among the Assets in accordance with the requirements of Section 1060 of the Code, and the regulations thereunder (and with respect to the Owned Real Property using the values the parties agreed to assign to the Owned Real Property at Closing); provided, however, Buyer may extend such period to one hundred twenty (120) days after the Closing Date if it determines such extension is reasonably necessary in light of any appraisal of the Assets it is conducting after the Closing. If the parties hereto reach agreement with respect to such allocation, the parties agree to (a) jointly complete and separately file IRS Forms 8594 with their respective federal income Tax Returns for the Tax year in which the Closing Date occurs, and (b) not take a position on any Tax Return that is inconsistent with the terms of any such allocation without the written consent of the other parties. If the parties do not reach agreement with respect to such allocation, then each party shall make its own determination of such allocation for financial and Tax reporting purposes. The parties shall promptly advise each other of the existence of any Tax audit or Litigation related to any allocation hereunder.

3. Closing.

3.1 Date of Closing. The consummation of the transactions contemplated by this Agreement (the **“Closing”**) shall occur on the Closing Date and shall be held at the offices of Buyer’s counsel at 10:00 a.m. local time, or at such other time and place as Seller and Buyer may mutually agree. The Closing may also be consummated by the exchange of signature pages by facsimile, by email (in portable document format or other appropriate format) or by overnight mail. Notwithstanding the actual time the deliveries of the parties are made on the Closing Date, the parties agree that the Closing shall be effective and deemed for all purposes to have occurred as of 12:01 a.m., local time in Alpena, Michigan, on the Closing Date (the **“Effective Time”**).

3.2 Outside Date for Closing. If the Closing has not occurred by August 30, 2024 (the **“Outside Termination Date”**), then either Seller or Buyer may terminate this Agreement in accordance with **Section 11.1(e)**. If the Closing is postponed pursuant to **Section 13**, then the date referred to in the previous sentence shall be extended by the period of such permitted postponement.

4. Representations and Warranties by Seller. Seller represents and warrants to Buyer as follows with respect to each Seller entity, as qualified by the specific schedules set forth herein, agrees that each representation and warranty is true and correct as of the Closing Date and agrees that such representations and warranties shall survive the Closing Date as contemplated in Section 10.1:

4.1 Organization, Standing and Foreign Qualification. Seller is duly incorporated validly existing, and in good standing under the laws of the State of Michigan with the power and authority to carry on the business of the Stations and to own, lease and operate the Assets,

and is qualified to do business as a foreign corporation in each other jurisdiction in which Assets are located and where Assets such qualification is necessary.

4.2 Authority and Binding Effect. Seller has the requisite power and authority necessary to enter into and perform its obligations under this Agreement and the other agreements, documents and instruments to be executed and delivered by such Seller pursuant hereto (the “**Seller Other Agreements**”) and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance of this Agreement and Seller Other Agreements have been approved by all necessary action of Seller. This Agreement has been, and the Seller Other Agreements will be, executed and delivered by duly authorized representatives of Seller and constitutes, or will constitute when executed and delivered, the legal, valid and binding obligations of Seller, enforceable against Seller in accordance with its terms except as such enforceability may be limited by principles of public policy, and subject to (a) the effect of any applicable Laws of general application relating to bankruptcy, reorganization, insolvency, moratorium or similar Laws affecting creditors’ rights and relief of debtors generally, and (b) the effect of rules of law and general principles of equity, including, without limitation, rules of law and general principles of equity governing specific performance, injunctive relief and other equitable remedies (regardless of whether such enforceability is considered in a proceeding in equity or at law).

4.3 Validity of Contemplated Transactions, Restrictions. The execution, delivery and performance of this Agreement and the Seller Other Agreements by Seller and the consummation of the transactions contemplated hereby or thereby, will not (a) violate any provision of the certificate of incorporation of any Seller entity, (b) subject to obtaining the FCC Consent, violate, in any Material respect, any Law or Order to which Seller, the Stations or to the Assets are subject, (c) result in a Default under, any Assumed Contract or any License of Seller which is Material to the operation of the Stations, (d) result in the creation or imposition of any Lien on any of the Assets, other than Permitted Liens; or (e) require the prior consent or approval of, or any Material prior notice to, any Governmental Authority, except as set forth in **Section 6** (which section includes the FCC Consent).

4.4 Books and Records. To Seller’s Knowledge, all books of account and other financial Records of Seller pertaining to the ownership and operation of the Stations or of the Assets have been made available to Seller, represent actual, bona fide transactions and have been Materially maintained in the ordinary course of business in accordance with sound business practices.

4.5 Financial Statements. Seller has provided to Buyer copies of the internal profit and loss statements and/or income statements and balance sheets for the operations of the Stations as of the two most recent calendar years (2021 and 2022) (collectively, the “**Financial Statements**”). Such Financial Statements have been prepared in accordance with GAAP consistently applied and in aggregate, present fairly in all Material respects the results of operations of Stations for the respective periods covered thereby (subject to customary year-end adjustments from Seller’s outside financial accountant) and are based on the Records of Seller and are Materially complete and correct (except that they do not include current



information on barter revenue or expenses, depreciation or amortization expenses, corporate overhead expenses, interest expense and certain other non-cash expenses and any footnotes that would be required).

4.6 Absence of Undisclosed Liabilities. Except for matters which have been fully settled and paid in full as of the Execution Date or Tax matters which are actively in dispute, Seller has no Undisclosed Liabilities related to the Stations or to which the Assets would be subject, except for Liabilities incurred since December 31, 2022 in the ordinary course of business consistent with past practice.

4.7 Absence of Changes. Except as disclosed on **Schedule 4.7** (or permitted in accordance with **Section 7.4** with respect to matters occurring after the Execution Date, but prior to the Closing Date) or resulting from Buyer's operations since December 31, 2022 through the Execution Date: (a) the business of the Stations has been carried on only in the ordinary course consistent with past practices; (b) there has been no Material Adverse Change, and, to Seller's Knowledge, there has been no event or circumstance that alone, or in combination with any other event or circumstance, is reasonably likely to result in a Material Adverse Change with respect to the business of the Stations or of the Assets; (c) Seller has not made any Material change in any method of accounting or any accounting principle, policy or practice with respect to the Stations and to the Assets.

4.8 Tax Matters. Except as set forth on **Schedule 4.8**:

(a) Seller has, in respect to the Stations and Assets, filed all Tax Returns it was required to file and has paid in full or discharged all Taxes owed by Seller other than Taxes not yet due or which are subject to a valid dispute;

(b) There are no Liens for any Taxes (other than any inchoate Lien for current real property or ad valorem Taxes not yet due and payable) on any of the Assets or any other assets of Seller;

(c) To Seller's Knowledge, no event has occurred which could impose upon Buyer as a result of completion of the transaction contemplated herein any liability for any Taxes, penalties, or interest due or to become due from Seller from any Governmental Authority.

(d) To Seller's Knowledge, Seller does not have any Liability for the Taxes of any Person as a transferee or successor, by contract or otherwise, and

4.9 Title to Assets; Encumbrances; Condition.

(a) Except as set forth on **Schedule 4.9** or shown in the Title Commitments with respect to the Owned Real Property, Seller has good and transferable title or a valid contractual right to all of the Assets other than the Owned Real Property, and has good and marketable fee simple title to the Owned Real Property, in each case, free and clear of any and all Liens, except Permitted Liens. The Assets (i) include all assets that are owned or

leased by Seller or any Affiliate of Seller that are primarily related to the business and operation of the Stations as currently operated and (ii) except for the Excluded Assets, collectively, constitute all of the assets reasonably necessary for the business and operation of the Stations immediately following the Closing in substantially the same manner as presently operated.

(b) Each Improvement and each item of Material tangible Personal Property is in good operating condition for its present and intended uses and operation, given the age of such property and the use to which such property is put and except to the extent of normal wear and tear and is usable in the ordinary course of business consistent with past practices.

#### 4.10 Real Property.

(a) **Schedule 1.1(d)** contains the legal description of each parcel of the Owned Real Property. Except as set forth on **Schedule 4.9**, Seller has good and marketable fee simple title to the Owned Real Property, free and clear of Liens other than Permitted Liens. To Seller's Knowledge, no action for the condemnation or other taking of all or any part of any parcel of Owned Real Property is pending or threatened by any public authority. Except for the tenant income lease included in the Assumed Contracts or intercompany leases between SAMCO and the other Sellers for use of the Owned Real Property, Seller has granted no option or entered into any contracts with others for the sale, lease or transfer of any Owned Real Property, and no party has any right or option to acquire, or right of first refusal to acquire, any Owned Real Property or any portion thereof.

(b) **Schedule 1.1(e)** describes Seller's right, title and interest in and to the valid leasehold estates owned by Seller and leased from third parties (the "**Leased Real Property**"). Except as disclosed on **Schedule 4.10(b)**, neither the Leased Real Property nor any of Seller's right, title or interest therein is affected by any Lien, other than Permitted Liens. Together, the Owned Real Property and the Leased Real Property are the "Real Property."

(c) To the Knowledge of Seller and except as otherwise shown on the Surveys, each parcel of Owned Real Property has vehicular access to and from such parcel of Owned Real Property and publicly dedicated streets, roads or highways and such access is not dependent on any land or other real property interest which is not included in the Owned Real Property. Seller has not received written notice from any governmental agency that the current use of the Owned Real Property for the various purposes for which it is presently being used is in breach of any applicable zoning legal requirements. To the Knowledge of Seller, except as otherwise shown on the Surveys or reflected in the Title Commitments, no part of any Improvement on the Owned Real Property encroaches on any real property not included in the Owned Real Property, and there are no buildings, structures, fixtures or other Improvements primarily situated on adjoining property which encroach on any part of the Owned Real Property.

(d) To the Knowledge of Seller, except as otherwise shown on the Surveys, there are no Material encroachments on or off the Real Property or other Material defects in the title of said Owned Real Property. To Seller's Knowledge, except as otherwise shown on the Surveys, all Improvements, structures and transmitting facilities of the Stations, including, towers, antennas, guy lines, anchors and other related building, structures, Improvements and appurtenances, are located entirely within the confines of the Owned Real Property or beneficial easements, except for such failures as are not, individually or in the aggregate, Material.

(e) As of the Closing Date, except for the tenant income lease disclosed in **Schedule 1.1(h)**, there will be no Material unrecorded Contracts known to or granted by Seller affecting the Owned Real Property or any part thereof and there will be no Persons in possession of the Owned Real Property or any part thereof other than Seller and the tenants under any income leases.

(f) To the Knowledge of Seller, no claim or right of adverse possession by any Third Party has been claimed with respect to the Owned Real Property, and none of such property is subject to any Order for its sale, condemnation, expropriation or taking (by eminent domain or otherwise) by any Governmental Authority nor, to the Knowledge of Seller, has any such sale, condemnation, expropriation or taking been proposed or threatened.

(g) Seller has received no notice of any outstanding violation of Law affecting the Owned Real Property, and to the Knowledge of Seller, no such violation of Law exists.

(h) Each parcel of Owned Real Property can be used for the purposes intended for such property and no Lien or other material materially interferes with the use or value of any such Owned Real Property.

(i) Copies of all title insurance policies held or owned by Seller relating to the Owned Real Property have been delivered or made available to Buyer by Seller.

#### 4.11 **Personal Property.**

(a) **Schedule 1.1(b)** contains a correct and complete (i) list of each item of Personal Property or (ii) collection of items of Personal Property booked by Seller as part of a single project, in each case that has an original cost in excess of \$50,000. Seller acknowledges that the Personal Property included in the Assets includes all Personal Property in Seller's possession or control which is primarily used or held for use by Seller in the operation of the Stations. Except as disclosed on **Schedule 4.11(a)**, neither the Personal Property nor any of Seller's right, title or interest therein is affected by any Lien, other than Permitted Liens.

(b) **Schedule 1.1(f)** contains a correct and complete description of all Leased Personal Property as of the Execution Date. Except as disclosed on **Schedule 4.11(b)**,

neither the Leased Personal Property nor any of Seller's right, title or interest therein is affected by any Lien, other than Permitted Liens.

4.12 Intellectual Property. **Schedule 1.1(g)** contains a correct and complete list of all of the Material Station Intellectual Property (including any Registered Station Intellectual Property) used and useful in the operation of the Stations. Seller has an unencumbered right, title and interest in and to the Material Station Intellectual Property or has a valid right pursuant to an Assumed Contract to use the Material Station Intellectual Property in the ordinary course of the operation of the Stations as currently conducted. To the extent any Material Station Intellectual Property is licensed from a Third Party, such license is in full force and effect and constitutes legal, valid and binding obligations of Seller, and to the Knowledge of Seller, the other respective parties thereto. There have not been and there currently are not any Defaults thereunder by Seller or, to the Knowledge of Seller, any other party thereto. Neither Seller nor any of its Affiliates has, in connection with the business of the Stations, violated, infringed upon or unlawfully or wrongfully used the Intellectual Property of any Third Party. To Seller's Knowledge, no Station Intellectual Property, as used in the business of the Stations, infringes upon or otherwise violates the rights of others, and no Person has asserted in writing within the twelve (12) months immediately preceding the date of this Agreement a bona-fide claim of such infringement or misuse. Seller has used commercially reasonable efforts to enforce, maintain and protect its interests in and to Station Intellectual Property. Seller has, and upon consummation of the transactions contemplated by this Agreement, Buyer will have, all right, title and interest in (or, subject to the terms of any applicable Assumed Contract, the right to use) the Station Intellectual Property. All Material patents, trademarks, trade names, service marks, assumed names, and copyrights and all registrations thereof included in the Registered Station Intellectual Property are valid, subsisting and in full force and effect.

4.13 Ownership. None of the outstanding equity securities of Seller were issued in violation of the Securities Act of 1933, as amended (the "**Securities Act**"), or any other applicable Law.

4.14 Insurance.

(a) Correct and complete copies of all insurance policies held or owned by Seller relating to the business of the Stations or of the Assets have been delivered or made available to Buyer by Seller on or before the date of this Agreement. Except as set forth on **Schedule 4.14(a)**, there are no outstanding claims under such policies as of the Execution Date. All such policies are in full force and effect and enforceable in accordance with their terms except as such enforceability may be limited by principles of public policy.

(b) **Schedule 4.14(b)** sets forth: (i) any self-insurance arrangement by or affecting Seller, including any reserves established thereunder; (ii) any Contract or arrangement, other than a policy of insurance, for the transfer or sharing of any risk to which Seller is a party or which involves the business of Seller; and (iii) all obligations of Seller to provide insurance coverage to Third Parties (for example, under leases or service agreements) and identifies the policy under which such coverage is provided.

4.15 Bonds, Letters of Credit and Guarantees. Seller does not have any bonds, letters of credit, and guarantees issued by Seller, its member or any Third Party for the benefit of Seller and relating to the business of the Stations or of the Assets and now in force or outstanding.

4.16 Compliance with Law.

(a) Except as set forth in **Schedule 4.16(a)**, Seller is in compliance in all Material respects with all Laws, Licenses and Orders applicable to, required of or binding on Seller with respect to the Stations, the business of the Stations or of the Assets, including the FCC Licenses and the Communications Act of 1934, as amended (including, *inter alia*, by the Cable Communications Policy Act of 1984, the Cable Television Consumer Protection and Competition Act of 1992 and the Telecommunications Act of 1996, and the rules, regulations, and published policies of the FCC, US communications regulatory agencies (such as public service or utilities commissions) and related interpretations by the federal courts, any state or local communications laws and any applicable laws, rules, regulations and Orders of any applicable state, territorial or foreign public utility commission) (the “**Communications Laws**”). Seller is qualified to hold all of the FCC Licenses that it holds with respect to the Stations.

(b) Seller holds all Licenses, other Material permits and authorizations necessary for or used in the operations of the Stations, including all consents, approvals, permits and Licenses required or issued by applicable state or federal communications regulatory agencies, including the FCC, and each of the FCC Licenses is, and each such permit and authorization is, valid and in full force and effect and has not been suspended, revoked, canceled or adversely modified. Seller is not subject to any FCC “red light” status and all regulatory fees required to be paid to the FCC by Seller with respect to the Stations have been timely paid. **Schedule 1.1(a)** contains a true and complete list of the FCC Licenses and Antenna Structure Registrations currently in effect and all such permits and authorizations (showing, in each case, the expiration date), none of which is subject to any restrictions or conditions that would limit in any material respect the operations of the Station, other than: (i) as may be set forth on the faces of such FCC Licenses; or (ii) as may be applicable to the broadcasting industry. Seller has (i) submitted a registration to FCC’s Antenna Structure Registration Database and (ii) obtained and holds an Antenna Structure Registration number for each of those antenna structures used in the business of the Stations for which Seller is the antenna structure owner and for which such a registration is required to comply with Section 17.4 of the FCC rules. Except as set forth in **Schedule 4.16(b)**, there is not now pending or, to the Knowledge of Seller, threatened, any action by or before the FCC to revoke, cancel, rescind, modify, or refuse to renew any of such FCC Licenses, and Seller has not received any notice of, and has no Knowledge of, any pending, issued, or outstanding order by or before the FCC, or of any investigation, order to show cause, notice of violation, notice of apparent liability, notice of forfeiture, or material complaint against the Station or Seller.

(c) The operation of the Stations does not expose workers or others to levels of radio frequency radiation in excess of the “Radio Frequency Protection Guides” recommended in “American National Standard Safety Levels with Respect to Human Exposure to Radio Frequency Electromagnetic Fields 3 kHz to 300 GHz” (ANSI/IEEE C95.1-1992), issued by the American National Standards Institute, and renewal of the FCC Licenses would not constitute a “major action” within the meaning of Section 1.1301, et seq., of the FCC’s rules.

(d) Seller has not leased, licensed, assigned, conveyed or otherwise encumbered any Station’s digital spectrum or any portion thereof or granted rights to any party to broadcast on any Station’s digital spectrum or any portion thereof for the provision of any “ancillary or supplementary services” (as the term is defined by the Communications Laws). To Seller’s Knowledge, there currently exists no interference to the signal of any Station from other broadcast stations, or from any Station’s signal to other broadcast stations, in each case beyond that permitted by the FCC’s rules and policies and, to Seller’s Knowledge, there are no applications or proceedings pending at the FCC the grant of which would cause objectionable interference to the Stations’ operations with its current facilities, other than what might arise as a result of proceedings that generally affect the television broadcast industry.

(e) **Schedule 1.1(c)** contains a list of all Licenses held by Seller used and useful in the operation of the Stations. To Seller’s Knowledge, all Licenses are in full force and effect and constitute legal, valid and binding obligations of Seller, and to the Knowledge of Seller, the other respective parties thereto.

4.17 **Environmental.** Except as set forth in **Schedule 4.17**, Seller is not aware of any Environmental Matter which has created or might reasonably be expected to create any material liability under the Environmental Laws or which would require reporting to or notification of any Governmental Authority. Except as set forth in **Schedule 4.17**, to Seller’s Knowledge, Seller, the Stations and the Owned Real Property are in compliance in all material respects with all environmental, health, and safety laws applicable to the Owned Real Property.

4.18 **Litigation and Claims**

(a) Except as disclosed on **Schedule 4.18**, there is no Litigation pending or, to Seller’s Knowledge, threatened, and Seller has no Knowledge of any basis for any such Litigation or any facts or the occurrence of any event that might give rise to the foregoing;

(b) There are no outstanding Orders (other than Orders granting, renewing, or modifying FCC Licenses as requested by Seller in an application filed with the FCC) binding upon Seller, the Assets, the business of the Stations or Seller’s securities, other than Orders affecting generally Seller’s industry or segments thereof;

(c) None of the pending or threatened Litigation disclosed on **Schedule 4.18**, if adversely determined, would individually or in the aggregate result in a Loss in excess

of Fifty Thousand Dollars (\$50,000) or would give rise to any claim, recourse or right of indemnification against Buyer as the successor to the Assets or the business of the Stations. Except for matters pertaining to the FCC, which are addressed in **Section 4.16**, there are no pending or threatened in writing investigations or inquiries directed to Seller, the Assets or the business of the Stations by any Governmental Authority.

4.19 Employee Benefit Plans.

(a) **Schedule 4.19** contains a true, correct and complete list of all Seller Employee Benefit Plans. Also set forth on **Schedule 4.19** is a complete and correct list of all ERISA Affiliates of Seller during the last six (6) years. True, correct and complete copies of (i) each Seller Employee Benefit Plan and (ii) all rulings, determination letters, no-action letters or advisory opinions from the IRS with respect to Seller Employee Benefit Plans, in each case, have been made available to Buyer.

(b) Except as set forth in **Schedule 4.19**:

(i) each Seller Employee Benefit Plan has been administered, in all Material respects, in compliance with its own terms and all applicable Laws. All required contributions for each Seller Employee Benefit Plan have been timely made. There are no Undisclosed Liabilities in respect to Seller Employee Benefit Plans with respect to which Buyer could be liable;

(ii) each Seller Employee Benefit Plan which is intended to be tax-qualified under Section 401(a) of the Code has received a determination letter from the IRS to the effect that it satisfies the requirements of Section 401(a) or the Seller can rely on an opinion or advisory letter issued to a pre-approved plan sponsor and, to the Knowledge of Seller, no circumstances have occurred that would adversely affect the tax-qualified status of any such Seller Employee Benefit Plan;

(iii) no Seller Employee Benefit Plan is, or has been in the last three years, subject to Title IV of ERISA or Section 412 of the Code;

(iv) neither Seller nor any ERISA Affiliate has incurred any withdrawal liability that has not been satisfied with respect to any "multiemployer plan" (as defined in Section 4001(a)(3) of ERISA); and

(v) Seller does not currently have and has not previously had any obligation to contribute to a Multiemployer Plan;

(vi) to the Knowledge of Seller, no action taken with respect to any Seller Employee Benefit Plan has caused or resulted in a Prohibited Transaction with respect to which Seller could be liable; and

(vii) full payment has been made of all amounts that are required under the terms of each Seller Employee Benefit Plan to be paid as contributions with

respect to all periods prior to and including the last day of the most recent fiscal year of such Seller Employee Benefit Plan ended on or before the date of this Agreement and all periods thereafter prior to the Closing Date.

(c) Except as set forth in **Schedule 4.19**, no Seller Employee Benefit Plan provides severance benefits to current or former Station Employees.

(d) Except as set forth in **Schedule 4.19**, the consummation of the transactions contemplated hereby, either alone or in combination with another event, will not (i) entitle any Station Employees to any payment, (ii) increase the amount of compensation due to any Station Employee, (iii) increase the amount due to any Station Employee under any Seller Employee Benefit Plan, (iv) accelerate the time of vesting of any compensation, stock incentive or other benefit or (v) result in any “parachute payment” under Section 280G of the Code whether or not such payment is considered to be reasonable compensation for services rendered.

(e) Except as set forth in **Schedule 4.19**, Seller has no liability with respect to an obligation to provide benefits, including death or medical benefits (whether or not insured) with respect to any Station Employee beyond his or her retirement or other termination of service other than (i) coverage under COBRA, or (ii) disability benefits under any employee welfare plan that have been fully provided for by insurance.

(f) No action, suit, proceeding, hearing, or investigation of the assets of any such Seller Employee Benefit Plan (other than routine claims for benefits) is pending or, to the Knowledge of Seller, threatened.

#### 4.20 **Contracts.**

(a) **Assumed Contracts.** **Schedule 1.1(h)** hereto lists all Assumed Contracts to be assigned to and assumed by Buyer other than Contracts (i) for the sale of advertising time entered into in the ordinary course of business from time to time, (ii) for which the aggregate annual payment or receivable for the past twelve (12) months did not exceed Four Thousand Dollars (\$4,000) or (iii) which are terminable by Seller without penalty on not more than sixty (60) days’ prior notice. Each of the Assumed Contracts is in full force and effect in accordance with its terms and constitutes a valid, legal and binding agreement of Seller, enforceable in accordance with its terms except as such enforceability may be limited by principles of public policy and subject to (i) the effect of any applicable Laws of general application relating to bankruptcy, reorganization, insolvency, moratorium or similar Laws affecting creditors’ rights and relief of debtors generally, and (ii) the effect of rules of law and general principles of equity, including, without limitation, rules of law and general principles of equity governing specific performance, injunctive relief and other equitable remedies (regardless of whether such enforceability is considered in a proceeding in equity or at law). To the Knowledge of Seller, each Assumed Contract which is required to be identified in **Schedule 1.1(h)** represents a valid, legal, binding and enforceable obligation of each of the other parties thereto in accordance with its terms, except as such