

## **MEMBERSHIP INTEREST REDEMPTION AGREEMENT**

**THIS MEMBERSHIP INTEREST REDEMPTION AGREEMENT** (this "Agreement") is made and entered into as of this 31st day of December, 2020 by and between **S.J. BROADCASTING, LLC**, an Illinois limited liability company (the "Company") and **TAG INVESTMENT, LLC** ("Seller").

### **RECITALS**

**WHEREAS**, Seller owns 200 units of membership interest of the Company representing 66.667% of the percentage interest in the Company (the "Units"); and

**WHEREAS**, the Company desires to redeem the Units and Seller desires to have the Company redeem the Units upon the terms and subject to the conditions set forth in this Agreement.

**NOW, THEREFORE**, in consideration of the representations, warranties, covenants and agreements set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

### **AGREEMENTS**

#### **ARTICLE 1**

#### **REDEMPTION OF THE UNITS**

**1.1. Redemption of Units.** Upon the terms and subject to the conditions set forth in this Agreement, the Seller hereby agrees to sell, assign and deliver to the Company, and the Company hereby agrees to purchase, redeem and acquire from the Seller, at the Closing on the Closing Date all, and not less than all, of the Units free and clear of any security interests, pledges, claims, liens, encumbrances or other rights, interests or adverse claims of any other person.

**1.2. Purchase Price; Payment.** The Company shall purchase the Units from the Seller for a total purchase price of \$450,000.00 (the "Purchase Price"). The Purchase Price shall be paid by the Company executing and delivering the Promissory Note in the form of Exhibit A, attached hereto an incorporated herein by reference and executing and delivering the documents required to perfect the collateral assignment of tower leases and the granting of the security interests in the proceeds of the disposition of any and all broadcast licenses issued by the Federal Communications Commission and mortgages on the tower sites and towers owned by the company.

**1.3. Closing.** The consummation of the redemption, purchase and sale of the Units and other transactions contemplated hereby (the "Closing") shall take place at the offices of the Company, at 10:00 a.m., local time, on December 31, 2020, or at such other time, date or place as may be mutually agreed upon by the Company and Seller (the "Closing Date"); provided, however, that Closing shall not occur until all the conditions set forth in Section 6.11 have been met and

Closing shall automatically be extended until such time. On the Closing Date, Seller will deliver to the Company certificates representing the Units, free and clear of any security interests, pledges, claims, liens, encumbrances or other rights, interests or adverse claims of any other Person, together with duly executed, blank powers attached thereto.

## ARTICLE 2

### **REPRESENTATIONS AND WARRANTIES OF SELLER**

In order to induce the Company to enter into this Agreement, and with the understanding that the Company will be relying thereon in consummating the redemption of the Units contemplated hereunder, Seller hereby represents and warrants to the Company that:

**2.1. Authority; Valid and Binding Agreement.** Seller has the right, power, capacity and authority to execute and deliver this Agreement and the other agreements contemplated to be executed by the Seller, in connection with this Agreement and to consummate the transactions contemplated hereby and thereby. This Agreement has been duly executed and delivered by the Seller and constitutes the legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting the enforcement of creditors' rights generally or the availability of equitable remedies.

**2.2. Unit Ownership.** Seller has, and on the Closing Date will convey to the Company, good and marketable title to its Units, free and clear of any security interests, pledges, claims, liens, charges, encumbrances or other rights, interests or adverse claims of any other Person and has the absolute and unrestricted power, authority, capability and right to sell the Units to the Company. The Units represent all of Seller's ownership interest in the company and after the redemption of the Units pursuant to this Agreement Seller shall no longer be a member of the Company.

## ARTICLE 3

### **REPRESENTATIONS AND WARRANTIES OF THE COMPANY**

In order to induce Seller to enter into this Agreement, and with the understanding that Seller will be relying thereon in consummating the sale of the Units contemplated hereunder, the Company hereby represents and warrants to Seller that:

**3.1. Authority; Valid and Binding Agreement.** The Company has the right, power, capacity and authority to execute and deliver this Agreement and any related agreements and to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Company and constitutes the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting the enforcement of creditors' rights generally or the availability of equitable remedies.

**3.2. No Brokers or Finders.** No person, firm or corporation has or will have, as a result of any act or omission of the Company, any right, interest or valid claim against Seller for any

commission, fee or other compensation as a finder or broker in connection with the transactions contemplated by this Agreement.

## ARTICLE 4

### CONDITIONS TO CLOSING

**4.1. Conditions to Obligation of the Company.** The obligation of the Company to complete the redemption of the Units on the Closing Date in accordance with the terms set forth in this Agreement is subject to the satisfaction (or waiver by the Company) of each of the following conditions:

(a) Accuracy of Representations and Warranties. The representations and warranties made by Seller in this Agreement and all related agreements shall have been true and correct in all material respects on the date hereof and shall be true and correct in all respects on and as of the Closing Date with the same force and effect as though such representations and warranties had been made on the Closing Date.

(b) Compliance with Covenants. All terms, conditions, acts, undertakings, covenants and obligations which Seller is required to perform or comply with on or before the Closing Date shall have been fully complied with or performed in all respects.

(c) Delivery of Closing Documents. Seller shall have delivered to the Company each of the certificates and powers referred to in Section 1.3.

(d) Contributions to Capital. Seller and Jon E. Khachaturian shall have contributed to the capital of the Company the Promissory Notes payable to Clinton C. Atkins and Jon E. Khachaturian each dated June 30, 2010 and each in the amount of \$800,000.00 and additional funds loaned to the Company since that date totaling \$500,000.00 each, making the total capital contributions from each of those persons or entities the sum of \$1,300,000.00 for a grand total capital contribution of \$2,600,000.00.

**4.2. Conditions to Obligation of Seller.** The obligation of Seller to complete the sale of the Units on the Closing Date on the terms set forth in this Agreement is subject to the satisfaction (or waiver by Seller) of each of the following conditions:

(a) Perfection of Security. Company shall have delivered the necessary documents referenced in Section 1.2 above. **IN THE EVENT COMPANY CANNOT FOR ANY REASON PROVIDE SUCH DOCUMENTATION, THIS AGREEMENT SHALL BE NULL AND VOID.**

(b) Acquisition of Units from Jon E. Khachaturian. Seller shall have completed the acquisition of 100 Units of Member Interest represented by Certificate #3 - from Jon E. Khachaturian on terms satisfactory to Seller

(c) Accuracy of Representations and Warranties. The representations and warranties made by the Company in this Agreement shall be true and correct on and as of the Closing Date with

the same force and effect as though such representations and warranties had been made on the Closing Date.

(d) Compliance with Covenants. All terms, conditions, acts, undertakings, covenants or obligations which the Company is required to perform or comply with on or before the Closing Date shall have been fully complied with or performed in all respects.

## ARTICLE 5

### POST-CLOSING MATTERS

**5.1. Further Assurances.** Company will from time to time, on or after the Closing Date, execute and deliver to the Seller any all such further assignments, endorsements and other documents as the Seller may request in order to perfect the security interests and mortgages contemplated hereby.

**5.2. Closing of Books.** The parties agree that the books of the Company shall be closed as of the close of business on December 31, 2020 and that thereafter, Seller shall have no further rights to the ongoing business of the Company or further rights under the Operating Agreement for the Company.

**5.3 Tax Return.** Within seventy-five (75) days after the Closing Date the Company shall prepare all applicable federal and state income tax returns for the period from January 1, 2006 to the Closing Date. Such tax return shall be prepared in a manner consistent with all prior years' returns. No tax elections shall be made on such returns without the prior written consent of Seller and no part of the redemption price pursuant to this Agreement shall be allocated to the tangible assets of the Company.

## ARTICLE 6

### MISCELLANEOUS

**6.1. Consent to Amendments.** The provisions of the Agreement may be amended only by the written agreement of all of the parties hereto. Any waiver, permit, consent or approval of any kind or character on the part of any party of any provisions or conditions of this Agreement must be made in writing and will be effective only to the extent specifically set forth in such writing. No party may assign its rights hereunder without written consent of the other party, and no such assignment shall relieve a party of its obligations hereunder.

**6.2. Severability.** Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.

**6.3. Binding Effect.** This Agreement will be binding upon and inure to the benefit of and be enforceable against the parties hereto and their respective heirs, legal representatives, successors and assigns.

**6.4. Governing Law.** This Agreement will in all respects be governed by, and enforced and interpreted in accordance with the substantive law of, without regard to the law of conflicts of, the State of Illinois.

**6.5. Notices.** Any notices or other communications required, permitted or desired to be given hereunder shall be delivered personally, sent by overnight courier or mailed, registered or certified mail, return receipt requested, to the following addresses, and shall be deemed to have been received on the date of personal delivery, one business day after deposit with an overnight courier or three business days after deposit in the mail:

If to the Company: S.J. BROADCASTING, LLC  
2702 South Boulder Drive  
Urbana, Illinois 61802

with a copy to: Meyer Capel, A Professional Corporation  
306 West Church Street  
Champaign, Illinois 61820  
Attention: Harold N. Adams

If to Seller: TAG INVESTMENT, LLC  
2805 South Boulder Drive  
Urbana, Illinois 61802  
Attention: C. Todd Atkins

with a copy to: Meyer Capel, A Professional Corporation  
306 West Church Street  
Champaign, Illinois 61820  
Attention: Francis J. Jahn

or such other address as any party may specify in a written notice given to the other parties hereto.

**6.6 Security Provisions.** The parties recognize that as of the effective date, the Communications Act of 1934, as amended, and the rules and regulations of the FCC, do not permit a security interest to be taken in a station's FCC construction permits, licenses, and authorizations (collectively, "Assets"). However, the parties acknowledge that security interests are permitted to extend to the proceeds of the sale, transfer, or other disposition of such Assets. The parties agree that if a security interest is not permitted to cover Company's Assets that the security interest shall extend to the proceeds of the sale, transfer, or other disposition of such Assets only to the extent necessary to extinguish outstanding debt related to this Agreement.

If the law in this regard is subsequently changed, in whole or in part, then all of the right, title, and interest of Company in and to the Assets whether now held or hereafter acquired, shall automatically and immediately become subject to the Seller's security interest to the maximum extent

permitted by law as then in force and effect.

**6.7 Entire Agreement and Counterparts.** This Agreement, and any schedules attached hereto or delivered pursuant to the provisions hereof, sets forth the entire agreement between Seller and the Company relating to the Units, superseding in all respects any and all prior oral or written agreements or understandings between them pertaining to the transactions contemplated by this Agreement. This Agreement may be executed in counterparts, each of which will be deemed an original and all of which, taken together, will constitute one instrument.

**6.8 Headings.** Section and article headings used in this Agreement have no legal significance and are used solely for convenience of reference.

**6.9 Attorney's Fees.** The prevailing party in any action brought to enforce the terms of this Agreement shall be entitled to recover its reasonable attorney's fees, court costs and expenses.

**6.10 Waiver of Conflict of Interest.** Company and Seller acknowledge that Meyer Capel, A Professional Corporation has represented Company and Seller in various matters in the past and intends to continuing to represent Seller and its affiliated companies in the future. Company and Seller hereby waive any conflict of interest which might arise from the on-going representation of Seller by Francis J. Jahn and other attorneys from the law firm of MEYER CAPEL, A Professional Corporation, and/or the on-going representation of Company by Harold N. Adams and other attorneys from the law firm of MEYER CAPEL, A Professional Corporation. The parties acknowledge that in the event a dispute arises with respect to this Agreement, attorneys from MEYER CAPEL, A Professional Corporation, would not be able to represent either Seller or Company in connection with litigation to resolve such a dispute. The parties further acknowledge that the nature and extent of the conflict of interest created by the representation of multiple parties by the MEYER CAPEL, A Professional Corporation, law firm has been fully explained and evaluated by them prior to the execution of this Agreement.

**6.11 Condition to Closing.** Subject to the terms and conditions set forth herein, the Closing shall occur within five (5) business days after the FCC Consent shall have become a Final Order (as hereinafter defined) (the "Closing Date"). As used herein, the term "Final Order" means a written action or order issued by the FCC setting forth the FCC Consent (a) which has not been reversed, stayed, enjoined, set aside, annulled or suspended, and (b) with respect to which (i) no requests have been filed for administrative or judicial review, reconsideration, appeal or stay, and the time for filing any such requests and for the FCC to set aside the action on its own motion (whether upon reconsideration or otherwise) has expired, or (ii) in the event of review, reconsideration or appeal, the time for further review, reconsideration or appeal has expired. Notwithstanding the foregoing, Buyer, at its sole option, may elect to proceed with the Closing at any time following FCC Consent but prior to the date on which the FCC Consent shall have become a Final Order. All actions taken at the Closing will be considered as having been taken simultaneously and no such actions will be considered to be completed until all such actions have been completed.

**IN WITNESS WHEREOF**, Seller and the Company have executed this Agreement as of the date first set forth above.

Company:

**S.J. BROADCASTING, LLC**

By: 

Steven J. Khachaturian, President

Seller:

**TAG INVESTMENT, LLC**

By: 

Spencer C. Atkins, President

**EXHIBIT A**

**PROMISSORY NOTE**

**Attached hereto.**



COLLATERAL PROMISSORY NOTE

\$450,000.00

Urbana, Illinois  
December 31, 2020

FOR VALUE RECEIVED, the undersigned, S.J. BROADCASTING, LLC, an Illinois limited liability company promises to pay to the order of TAG INVESTMENT, LLC, an Illinois limited liability company ("Payee") the total sum of Four Hundred Fifty Thousand and no/100 Dollars (\$450,000.00) together with interest on the unpaid balance from time to time at the rate of four percent (4.00%) per annum. The principal sum and interest shall be payable in equal monthly installments of Five Thousand Four Hundred Eighty-Five and 18/100 Dollars (\$5,485.18) with the first payment being due and payable on February 1, 2021 and like payments being due and payable on the 1st day of each month thereafter beginning March 15, 2021, with the final payment of all sums not previously paid being due and payable on January 1, 2029.

Both principal and interest shall be payable to the holder hereof at 2805 South Boulder Drive, Urbana, IL 61802, or at such other place as may from time to time be designated in writing by the holder hereof. Any payment not made within ten days of the due date shall be subject to a late charge of five per cent (5%) of the installment then due.

All payments shall be first applied to the payment of late charges (if any) then to the payment of interest, with the remainder applied to reduce the principal balance. The undersigned shall have the right to prepay the remaining principal in whole or in part at any time, without penalty or premium. No partial prepayment shall excuse the next ensuing payments of principal and interest.

This Collateral Promissory Note is executed and delivered by the undersigned as payment of the Purchase Price pursuant to the Member Interest Redemption Agreement, dated December 31, 2020, between the maker and the payee of this Note ("Purchase Agreement"). The terms and provisions of the Purchase Agreement are incorporated herein by reference.

In the event of default hereunder, the undersigned shall be responsible for all court costs and reasonable attorney's fees incurred by the holder hereof in enforcing this obligation.

To secure payment of this Note and all other liabilities of the undersigned to Payee, howsoever created, whether now existing or hereafter arising, whether direct or indirect, whether absolute or contingent, and whether due or to become due, the undersigned grants a security interest in and pledges to Payee, all of the undersigned's right title and interest in and to the assets described in the Security Agreement executed concurrently herewith.

If any one or more of the following events shall occur (hereinafter called an "Event of Default"), that is to say, if: (i) default shall be made in the payment of any installment of interest or principal for a period of five (5) days after the holder notifies the undersigned that the same was not

paid when due; or (ii) the undersigned shall become insolvent, or shall be unable to pay its debts as they mature; or shall admit in writing its inability to pay its debts as they mature; or shall make an assignment for the benefit of its creditors; or shall file or commence or have filed or commenced against it any proceeding for any relief under any bankruptcy or insolvency laws or any laws relating to the relief of debtors, readjustment of indebtedness, reorganizations, compositions or extensions, or a receiver or trustee shall be appointed for the undersigned; or (iii) a default, beyond any applicable cure period or at maturity, by the undersigned in any payment of principal or interest on any obligations for borrowed money having an original principal balance of \$10,000 or more in the aggregate, or in the performance of any other provision contained in any instrument under which any such obligation is created or secured (including the breach of any covenant thereunder); or (iv) a final, non-appealable judgment or judgments for the payment of money in excess of \$5,000 in the aggregate shall be rendered against the undersigned and the same shall remain undischarged for a period of sixty (60) consecutive days, then, upon the occurrence of any such event this Note shall become immediately due and payable, without presentment, demand, notice or protest of any kind, all of which are expressly waived by the undersigned.

The holder of this Note will send the undersigned reasonable notice of the time and place of any public sale of the Collateral or of the time after which any private sale or other intended disposition is to be made. The requirement of sending reasonable notice shall be met if such notice is mailed, postage prepaid, to the undersigned at the last address for the undersigned shown on the records of the holder of this Note at least five days before the time of the sale or disposition.

The holder of the Note may at its option if this Note is due, demand, sue for, collect or make any compromise or settlement it deems desirable with reference to Collateral held hereunder in the possession of third parties.

No delay or omission on the part of the holder hereof in exercising any power or right hereunder shall impair such right or power or be construed to be a waiver of any default or any acquiescence therein, nor shall any single or partial exercise of any power or right hereunder preclude any or full exercise thereof or the exercise of any other power or right.

Every legal holder of this Note shall have and may exercise all the rights and powers given to the payees in this Note and shall have and may exercise all the rights and powers given to payees in this Note.

By executing this instrument, the undersigned agrees to all its terms and provisions.

S.J. BROADCASTING, LLC

By:

  
Steven J. Khachaturian, Member