

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (the “Agreement”) is made as of this 29th day of June, 2023 by and among Lotus Sacramento Corp., a California corporation (“Buyer”), Salem Communications Holding Corporation, an Ohio corporation (“Seller”), and Jorgenson Broadcast Brokerage, Inc., a Florida corporation (“Escrow Agent”).

W I T N E S S E T H

WHEREAS, concurrently with the execution of this Agreement, Seller and Buyer have entered into an Asset Purchase Agreement (the “Asset Purchase Agreement”), providing for the sale of certain assets of Seller to Buyer relating to radio station KSAC-FM (FCC Facility No. 51220) licensed to Dunnigan, California; and

WHEREAS, as an indication of Buyer's good faith, Buyer shall deposit the sum of One Hundred Thousand Dollars (\$100,000) (the “Escrow Deposit”), with Escrow Agent to be applied as provided herein.

NOW, THEREFORE, in consideration of the above premises and the mutual covenants and agreements hereinafter set forth, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Appointment of Escrow Agent. Buyer and Seller hereby appoint Escrow Agent as their Escrow Agent for the purpose of receiving, holding and disbursing the funds delivered to Escrow Agent hereunder, in accordance with the terms of this Agreement.
2. Delivery of Funds to Escrow Agent. Escrow Agent shall promptly upon receipt invest the Escrow Deposit in an interest-bearing account with Wells Fargo Bank, N.A. or other federally-insured financial institution. Escrow Agent shall not be held responsible for the failure of any financial institution, or entity into which the escrow funds are deposited, or for the loss of all or any part of the Escrow Deposit, after they have been deposited with such financial institution or entity, or any interest accumulated thereon and proceeds therefrom (“Interest”). Escrow Agent shall hold said Escrow Deposit and Interest and dispose of the same as hereinafter provided.
3. Disposition of Escrow Deposit and Interest. Escrow Agent shall distribute and dispose of the Escrow Deposit and Interest as follows:
 - (a) In the event the purchase and sale closes in the manner contemplated in the Asset Purchase Agreement, the Escrow Deposit shall be paid over at closing in accord with said Asset Purchase Agreement. In such event, all Interest shall be paid over to Buyer at Closing.
 - (b) In the event the purchase and sale does not close as contemplated in the Asset Purchase Agreement due to the material breach by or default of Buyer under the terms of the Asset Purchase Agreement, then the Escrow Deposit shall be paid over to Seller and all Interest thereon shall be paid over to Buyer.

(c) In all other events, if the Asset Purchase Agreement is terminated or if the transactions or closing contemplated thereby are not consummated, the Escrow Deposit and all Interest shall be returned to Buyer, in accordance with the terms and conditions of the purchase agreement.

(d) If any provision of this Paragraph with respect to the disposition of the Escrow Deposit or Interest is in conflict with any provision of the Asset Purchase Agreement with respect to such disposition, then such provision in the Asset Purchase Agreement shall control.

(e) Notwithstanding anything to the contrary in the Escrow Agreement or the Asset Purchase Agreement, prior to closing of the purchase and sale in the manner contemplated in the Asset Purchase Agreement, all or any portion of the Escrow Deposit shall be paid over to Buyer or Seller if the Escrow Agent receives joint instructions from Buyer and Seller with respect to the release of such funds to Buyer or Seller.

4. Controversies with respect to Escrow Deposit or Interest. Escrow Agent shall discharge its duties to dispose of the Escrow Deposit and Interest in accord with the provisions of Paragraph 3 above upon the joint written instructions of Seller and Buyer or their duly designated representatives. If Escrow Agent shall not have received such joint written instructions or a controversy shall exist between Buyer and Seller as to the correct disposition of the Escrow Deposit or Interest, Escrow Agent shall continue to hold the Escrow Deposit and Interest until:

(a) The receipt by Escrow Agent of the joint written instructions of Seller and Buyer as to the disposition of the Escrow Deposit and Interest; or

(b) The receipt by Escrow Agent of a final order entered by a court of competent jurisdiction determining the disposition of the Escrow Deposit and Interest; or

(c) Escrow Agent shall have, at its option, filed an action or bill in interpleader, or similar action for such purpose, in a court of competent jurisdiction and paid the Escrow Deposit and all Interest into said court, in which event, Escrow Agent's duties, responsibilities and liabilities with respect to the Escrow Deposit, the Interest, and this Agreement shall terminate.

5. Concerning Escrow Agent. The following shall control the fees, resignation, discharge, liabilities and indemnification of Escrow Agent.

(a) Escrow Agent shall charge no fees for its services hereunder, but shall be reimbursed for all reasonable expenses, disbursements and advancements incurred or made by Escrow Agent in performance of its duties hereunder, which shall not exceed \$50 in the aggregate without the prior written consent of Sellers and Buyer; one-half (1/2) of any such expenses, disbursements and advances to be paid by Buyer and one-half (1/2) by Seller.

(b) Escrow Agent may resign and be discharged from its duties hereunder at any time by giving written notice of such resignation to the parties hereto, specifying the date when such

resignation shall take effect. Upon such notice, a successor escrow agent shall be appointed with the unanimous consent of the parties hereto, and the service of such successor escrow agent shall be effective as of the date of resignation specified in such notice, which date shall not be less than thirty (30) days after giving such notice. If the parties hereto are unable to agree upon a successor agent within thirty (30) days after such notice, Escrow Agent shall be authorized to appoint its successor. Escrow Agent shall continue to serve until its successor accepts the escrow by written notice to the parties hereto and Escrow Agent deposits the Escrow Deposit and Interest with such successor escrow agent.

(c) Escrow Agent undertakes to perform such duties as are specifically set forth herein and may conclusively rely, and shall be protected in acting or refraining from acting, on any written notice, instrument or signature believed by it to be genuine and to have been signed or presented by the proper party or parties duly authorized to do so. Escrow Agent shall have no responsibility for the contents of any writing contemplated herein and may rely without any liability upon the contents thereof.

(d) Escrow Agent shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized hereby or within the rights and powers conferred upon it hereunder, nor for action taken or omitted by it in good faith, or in accordance with advice of counsel (which counsel may be of Escrow Agent's own choosing) and it shall not be liable for any mistake of fact or error of judgment or for any acts or omissions of any kind unless caused by its own misconduct or gross negligence.

(e) Each of Buyer and Seller agree to indemnify Escrow Agent and hold it harmless against any and all liabilities incurred by it hereunder. Buyer and Seller agree jointly to indemnify Escrow Agent and hold it harmless against any and all liabilities incurred by it hereunder, except in the case of liabilities incurred by Escrow Agent resulting from its own misconduct or gross negligence.

(f) Escrow Agent acts hereunder as a depository only, and is not responsible or liable in any manner for the sufficiency, correctness, genuineness or validity of any cash or security deposit.

6. Miscellaneous.

(a) This Agreement shall be construed by and governed in accordance with the laws of the State of California applicable to agreements executed and wholly to be performed therein.

(b) This Agreement shall be binding upon and shall inure to the benefit of the parties, their successors and assigns.

(c) This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument. Signatures on this Agreement transmitted by facsimile shall be deemed to be original signatures for all purposes of this Agreement.

(d) Paragraph headings contained in this Agreement have been inserted for reference purposes only, and shall not be construed as part of this Agreement.

(e) Any notice given hereunder shall be in writing, shall be given simultaneously to all parties hereunder by reputable overnight service, postage prepaid and proof of delivery required such as Federal Express, and shall be deemed duly given upon delivery, or, if delivery is refused by the intended party, upon first attempted delivery. Such notice shall be sent to the parties hereto at the following addresses or to such other address as a party may request:

If to Buyer: Lotus Sacramento Corp.
3301 Barham Boulevard
Los Angeles, California 90068
Attention: James Kalmenson, First Senior Vice President

With a copy to:

Gunnercooke US LLP
One Rockefeller Plaza
New York, New York
Attention: Eileen Breslin, Esq.

If to Seller: Salem Communications Holding Corporation
4880 Santa Rosa Road
Camarillo, CA 93012
Attention: Christopher J. Henderson, Executive VP

If to Escrow Agent: Jorgenson Broadcast Brokerage, Inc.
275 Long Lane Farm Road
Tryon, North Carolina 28782
Attention: Mark Jorgenson

7. Termination. This Agreement shall automatically terminate upon the distribution of the Escrow Deposit and Interest in accordance with the terms hereof.

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THE SIGNATURE PAGE FOLLOWS.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date set forth above.

BUYER:

LOTUS SACRAMENTO CORP.

By: 
James Kalmenson, First Senior VP

SELLER:

SALEM COMMUNICATIONS HOLDING CORPORATION

By: *Christopher Henderson*
Christopher J. Henderson, Executive VP

ESCROW AGENT:

JORGENSON BROADCAST BROKERAGE, INC.

By: *Mark Jorgenson*
Mark Jorgenson

SIGNATURE PAGE TO ESCROW AGREEMENT (KSAC-FM)