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LUCAS COUNTY

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JOHN FLEAS COURT  
KARNE GUILTER  
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IN THE LUCAS COUNTY COURT OF COMMON PLEAS

G-4801-CI-0202402348-000

ALLAN BLOCK  
4145 Tantara Road  
Toledo, OH 43632

Plaintiff,

v.

BLOCK COMMUNICATIONS, INC.  
405 Madison Avenue  
Toledo, OH 43604

JOHN R. BLOCK  
725 Devonshire Street  
Pittsburgh, PA 15213-2905

WILLIAM BLOCK, JR. EXEMPT  
AND NON-EXEMPT TRUSTS  
c/o Karen Johnese  
2995 Bonifay Path  
The Villages, FL 32163

DONALD G. BLOCK EXEMPT  
AND NON-EXEMPT TRUSTS  
c/o Karen Johnese  
2995 Bonifay Path  
The Villages, FL 32163

KAREN D. JOHNESE EXEMPT  
AND NON-EXEMPT TRUSTS  
c/o Karen Johnese  
2995 Bonifay Path  
The Villages, FL 32163

) Case No.

Judge

MICHAEL R. GOULDING

) Hon.

) **VERIFIED COMPLAINT**

) **JURY TRIAL DEMANDED**

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2995 Bonifay Path	)
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BLOCK FAMILY TRUST NO. 2	)
c/o Diana Block	)
2228 Robinwood Avenue	)
Toledo, OH 43620	)
	)
KAREN JOHNESE	)
2995 Bonifay Path	)
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	)
DIANA BLOCK	)
2228 Robinwood Avenue	)
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RON DAVENPORT	)
715 Amberson Avenue	)
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	)
NANCY REID	)
7222 Palatine Avenue N	)
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	)
EMILY ESCALANTE	)
227 Jefferson Street	)
Pittsburgh, PA 15212	)
	)
Defendants.	)

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Plaintiff Allan Block (“Plaintiff” or “Allan”), by and through his undersigned counsel, brings this Verified Complaint (“Complaint”) against Defendants Block Communications, Inc. (“BCI” or the “Company”), John R. Block (“J. Block” or “John Block”), the William Block, Jr. Exempt and Non-Exempt Trusts, the Donald G. Block Exempt and Non-Exempt Trusts, the Karen D. Johnese Exempt and Non-Exempt Trusts, the Barbara L. Block Exempt and Non-Exempt Trusts, and the Block Family Trust No. 2 (collectively, the “Family Trusts”), Karen Johnese, Diana Block, Ron Davenport, Nancy Reid, and Emily Escalante (collectively with J. Block, the “Director

Defendants” and together with BCI, J. Block, and the Family Trusts, “Defendants”) to remedy irreparable harm caused by their ongoing contractual breaches.

Plaintiff alleges the following based on personal knowledge, information and belief, documents in Plaintiff’s possession and that are incorporated by reference, and the minimal corporate documents that have been produced by BCI.

### **PRELIMINARY STATEMENT**

1. For over three decades, Allan has functioned as the senior leader of BCI, a major Ohio-based business started by his grandfather, Paul Block. BCI still remains privately held by Paul Block’s descendants to this day. And with Allan at the helm, BCI has had extraordinary and sustained success. BCI currently operates across multiple states in cable television, newspaper publishing, high-speed Internet, commercial and residential telephone services, and television broadcasting and employs thousands of people. Today, BCI is the second largest media company headquartered in Ohio, generating annual revenues in the hundreds of millions of dollars. Allan has worked tirelessly, day in and day out, to ensure the Company’s success.

2. Allan’s leadership has been one of the cornerstones of BCI’s fortune—but, in more recent years, also the source of the unabashed consternation of his twin brother, John Block. Allan’s brother John Block, who has abused newspaper power and journalistic ethics for decades, now harbors the ambition to lead BCI as its CEO. Indeed, John Block has made no secret of his desire to supplant Allan, going so far as to announce that he views himself as a “sovereign” when it comes to BCI. When Allan suffered serious health issues only a few years ago, John Block was not focused on a healthy outcome for Allan. Instead, he voiced annoyance that Allan was still able to lead BCI. Frustrated by Allan’s impediment to his personal ambitions, John Block has now taken his actions to the next level.

3. In a last-ditch effort to assert his “sovereignty,” John Block is now intent on engineering a value-destructive sale of BCI. This objective is not motivated by good faith or sound business strategy. Instead, it is motivated by shameless self-interest: If John Block cannot be CEO, then he wants to destroy BCI as the members of the Block family know it. Regrettably, John Block has convinced other factions of the Block family, who through a variety of trusts are also significant stockholders with representation on BCI’s Board of Directors (the “Board”), to follow him down this primrose path.

4. This alliance is no surprise. Control of a substantial percentage of BCI’s voting ownership recently transferred to fourth-generation members of the Block family. These relatives have no allegiance to a business that their ancestors built over the last 123 years and Allan has fostered in recent decades. Instead, their lack of fidelity to BCI motivated them to opportunistically align themselves with John Block to cash out their significant holdings as quickly as possible, even if that means selling the Company at a discount and at the wrong time.

5. While John Block’s ill-conceived, resentment-fueled plan is still in its early stages, it has already resulted in significant breaches of contractual promises that he and the other Defendants made to Allan. First, Defendants are breaching a “Shareholders Agreement,” which was put in place a few years ago when BCI ceased to be organized as a close corporation under Ohio law. The Shareholders Agreement is intended to set out the rights of the various constituents of the Block family that collectively own BCI. That agreement expressly contemplates that BCI will be overseen and stewarded by directors designated by the various parties to the agreement. For example, under the agreement Allan has the right to appoint two directors to the Board; likewise, John Block has the same right.

6. However, in service of his illicit scheme to force a sale of the Company, John Block has recently taken steps to sideline Allan and strip him of his rights under the Shareholders

Agreement. John Block knows that Allan possesses deep and unparalleled knowledge of BCI and its prospects. So, John Block has worked to freeze Allan out of his plan for a quick sale of BCI by convincing a majority of the Block family members—none of whom has any bona fide knowledge about the operations of BCI, much less a firm grasp on its future prospects and potential value—to form a strategic committee that is tasked with selling the Company and yet conspicuously excludes Allan and his Board designee.

7. In spearheading the formation of a strategic committee that serves no practical purpose other than to freeze out Allan, John Block's actions reek of bad faith. If the committee were put in place to manage conflicts of interest, then John Block's obvious self-interest—not only in Allan's removal as CEO, but also in the liquidity available to him as a result—would make him the first person who should not be on the committee. Further, there are no timing interests that would benefit from a nimbler subset of the Board. The sale of the Company is far from urgent; valuation multiples are lower than they were only two years ago, and the Company is harvesting acquisitions that have yet to pay substantial dividends, but are likely to do so in the future.

8. Beyond those core defects, the formation of the strategic committee constitutes a direct breach of Allan's rights under the Shareholders Agreement. The constitution of the strategic committee directly undermines Allan's rights to have Board members appointed by him directly involved in stewarding the Company.

9. Second, the Board's delegation of the duty to oversee a potential strategic transaction to the special committee is also in direct conflict with rights conferred on Allan by operation of his "Employment Agreement" with the Company. That agreement installs Allan as the CEO of the Company and contains an express provision giving Allan a direct participation right in "major decisions involving acquisitions, mergers, joint ventures or large-scale expansion" of BCI. Indeed, BCI cannot "reduce" this direct participation right in any way except for

exceedingly narrow circumstances that BCI has never determined to be (and are not) present here. Yet, the strategic committee is actively trampling this right by excluding Allan from a potential sale process. That is a straightforward and direct breach of Allan's rights under the Employment Agreement.

10. Accordingly, through Counts I through IV of this Complaint, Allan seeks to compel Defendants to honor their promises and obtain judicial remedies under two contracts that guarantee his participation in BCI's management and affairs, both at the board level and as the senior-most executive officer of the Company. Absent intervention from this Court, Defendants will continue to prevent Allan from exercising the clear contractual rights that he possesses to be directly involved in charting the major strategic decisions of the Company.

11. The ramifications of Defendants' conduct extend beyond Allan's contractual rights. A sale of BCI is not only likely to be value-destructive for the Company's shareholders, but it will also pose harmful consequences for many other constituencies, including for BCI itself and BCI's employees and the surrounding communities more broadly. The economic windfall that John Block and his bedfellow directors are seeking to extract for themselves will no doubt come at the expense of the enterprise that is BCI.

12. Unfortunately, it is virtually certain that a rushed and haphazard sale engineered by John Block and the rest of the Director Defendants will result in significant job losses at BCI, from senior management roles downward. That means as many as 800 people in metro Toledo alone will watch their livelihoods disappear. This, in turn, will assuredly have ripple effects for the Toledo, Lyme, Sandusky, Pittsburgh, Mississippi, Louisville, and Central Illinois communities, where BCI primarily operates and its loyal workers have made their homes. Accordingly, Allan also brings this action to defend BCI's employees and the survival of its business from Defendants' unlawful conduct.

### **PARTIES AND RELEVANT NON-PARTIES**

13. Plaintiff Allan Block is a citizen and resident of the State of Ohio. Allan serves as BCI's Chief Executive Officer and the Chairman of its Board and is a 25% stockholder of BCI.

14. Defendant BCI is a privately owned close corporation organized under the laws of the State of Ohio that owns and invests in media and telecommunication platforms, including the *Pittsburgh Post-Gazette*, the *Toledo Blade*, WDRB-TV in Louisville, KY, and Buckeye Broadband in Toledo, OH.

15. Defendant John Block is a citizen and resident of the Commonwealth of Pennsylvania. J. Block is Allan's brother. He is the Publisher and Editor-in-Chief of the *Pittsburgh Post-Gazette* and the *Toledo Blade*, subsidiaries owned by the Company, a BCI director and a 25% stockholder of BCI.

16. Defendant Family Trusts are exempt and non-exempt statutory trusts. The Family Trusts are BCI stockholders, whose beneficiaries are members of the Block family, who collectively own 50% of BCI's stock.

17. Defendant Karen Johnese is a BCI director designated by the Family Trusts pursuant to the Shareholders Agreement.

18. Defendant Diana Block is a BCI director designated by the Family Trusts pursuant to the Shareholders Agreement.

19. Defendant Ron Davenport is a BCI director designated by J. Block pursuant to the Shareholders Agreement.

20. Defendant Nancy Reid is a BCI director designated by the Family Trusts pursuant to the Shareholders Agreement.

21. Defendant Emily Escalante is a BCI director designated by the Family Trusts pursuant to the Shareholders Agreement.

22. Non-party John Straub is a BCI director designated as an “independent director” pursuant to the Shareholders Agreement.

23. Non-party Jodi Miehl is a BCI director designated by Allan pursuant to the Shareholders Agreement. Ms. Miehl is also the President and Chief Operating Officer of BCI.

### **JURISDICTION & VENUE**

24. This Court has jurisdiction over the subject matter of the contract claims because the relevant contracts are governed by Ohio law and Plaintiff’s common law breach of contract claims arise under Ohio law.

25. Defendants BCI, John Block, and the Family Trusts contractually consented to this Court’s personal jurisdiction.

26. This Court has personal jurisdiction over the Director Defendants because they conduct business in, reside in, and/or their wrongful conduct challenged in this Complaint was directed at, and intended to have its primary effect in, Ohio.

27. This Court is the proper venue for this action because the relevant contracts allow Plaintiff to sue in this Court.

### **FACTUAL BACKGROUND**

#### **A. Paul Block Found BCI and Builds a Leading Company.**

28. BCI was founded in New York City by Paul Block almost 125 years ago. BCI started as an advertising firm, but over time has grown into a diversified media holding company headquartered in Toledo, Ohio. BCI’s primary operations now span cable television, newspaper publishing, high-speed Internet, and commercial and residential telephone services.

29. In 1941, Paul Block’s sons, Paul Block, Jr. and William Block, assumed control of BCI and thereafter they operated the company together for over half of a century.



30. Despite substantial growth and many successes as the business expanded into its current form, BCI remained a privately held company that, at its core, is a family-owned business. Eventually, ownership of the company passed to the descendants of Paul Block Jr. through various trusts, William Block, Jr., Donald G. Block, Karen D. Johnese, and Barbara L. Block.

**B. The Members of the Block Family Enter into a Shareholders Agreement.**

31. BCI was historically organized as a close corporation under Ohio law until 2019. In late 2019, in conjunction with that change in historical organization, the foregoing owners executed the Shareholders Agreement to govern their rights and obligations in stewarding the Company into the future under its new corporate form.<sup>1</sup> As outlined in the Shareholders Agreement, its central purpose was to ensure the “uniform management” of BCI.

32. The Shareholders Agreement acknowledges that Allan, J. Block, and the Family Trusts (individually) are equal owners of BCI. *See* Exhibit 1 ¶¶ 2-4.

33. The Shareholders Agreement also establishes a governance structure whereby Allan, J. Block, and the Family Trusts have the right to appoint an equal number of directors to the Board. *See* Exhibit 1 § 2.1(a)(i)-(iv). The appointed directors, in turn, have the right to appoint an independent director subject to a majority vote. *See* Exhibit 1 § 2.1(a)(v).

34. The Shareholders Agreement requires open access to the Board’s decision-making process and affords the shareholders greater access to BCI’s books and records than is provided under Ohio statute. *See* Exhibit 1 § 5.2.

35. The Shareholders Agreement incorporates BCI’s Code of Regulations,<sup>2</sup> which restates BCI’s governance structure and contemplates, among other things, that the Board as a

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<sup>1</sup> Attached hereto as Exhibit 1.

<sup>2</sup> Attached hereto as Exhibit 2.

collective will make decisions collaboratively on BCI's behalf. See Exhibit 1 § 1.1; Exhibit 2 art. 5, § 1.<sup>3</sup>

36. The Shareholders Agreement requires each director of the Board to obtain sufficient knowledge of BCI's business to make informed decisions on BCI's behalf, offer "meaningful input" during meetings of the Board, and "faithfully perform" his or her fiduciary duties to BCI and its shareholders. Exhibit 1 § 2.3.

37. Together with its above-described and other provisions, the Shareholders Agreement plainly contemplates that the overall stewardship of BCI will rest with the entire Board.

**C. Allan Block Is Installed as the Company's CEO and Is Granted Rights to Run the Business and Oversee Strategic Transactions.**

38. Since at least approximately May 1989 through the time that BCI remained a close corporation, Allan functioned as the Company's *de facto* CEO. He became the Company's official CEO at the beginning of 2020. On or about November 9, 2022, BCI entered into the Employment Agreement<sup>4</sup> with Allan, effective from January 1, 2023, until January 1, 2028.

39. The Employment Agreement is a recognition of the substantial value that Allan has driven, and continues to drive, for the Company's shareholders.

40. The Employment Agreement sets forth Allan's duties and rights as BCI's CEO.

41. The Employment Agreement provides that Allan will "lead[] . . . all aspects of the Company's operations," including BCI's "long term goals, profitability, and return on investment." Exhibit 3 § 1.

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<sup>3</sup> The Code of Regulations also includes a right of first refusal requiring J. Block to offer to Plaintiff the opportunity to buy J. Block's stock before J. Block offers it to a third party. See Exhibit 2, art. 13, §§ 1-2.

<sup>4</sup> Attached hereto as Exhibit 3.

42. To that end, the Employment Agreement designates Allan to play a direct and leading role in “major decisions involving acquisitions, mergers, joint ventures or large-scale expansion” of BCI. Exhibit 3 § 1.

43. BCI “has no right or power to terminate or reduce [this] authority . . . except for Cause.” Exhibit 3 § 8. BCI’s right to reduce Allan’s authority for “Cause” is intentionally narrow because the parties understood that, due to his significant insight into the Company’s operations, Allan should not have his rights or responsibilities—including to have a direct and leading role in the Company’s decisions—arbitrarily reduced or given to lesser-knowledgeable persons. Exhibit 3 § 19.

44. The Employment Agreement prohibits the Company from giving J. Block “rights or benefits” that are “more favorable in any material respect” than the rights or benefits provided to Allan under the Employment Agreement. Exhibit 3 § 22.

45. The Employment Agreement also grants broad indemnification rights to Allan:

The Company hereby agrees to indemnify the Executive against all liabilities, costs, charges and expenses whatsoever incurred or sustained by the Executive in connection with any threatened, pending or completed action, suit or proceeding to which the Executive may be made a party or may be threatened to be made a party by reason of the Executive’s being or having been a director, officer, employee, or agent of the Company or serving or having served at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise before, during or after expiration of this Agreement to the fullest extent permitted by applicable law. The Company shall advance all costs, charges and expenses, including legal fees, incurred by the Executive in connection with the Executive’s defense of any claim for which the foregoing indemnity may apply. If it is subsequently determined that the Executive was not entitled to such indemnification, the Executive will reimburse the Company any amounts advanced pursuant to the foregoing sentence.

Exhibit 3 § 29.

46. Together with the above-described provisions and others, the Employment Agreement recognizes that Allan will oversee the day-to-day operations of BCI and that he will be

centrally involved in activities relating to strategic transactions, including the potential sale of the Company, and does not allow the Company to give J. Block more responsibilities as a director than those given to Allan.

47. The Employment Agreement also does not allow BCI to “reduce” in any way Allan’s responsibilities or rights—including to oversee strategic transactions—unless BCI determines that there is Cause to do so. BCI never made such a determination here. Yet, as alleged more fully below, BCI, through the Director Defendants, has reduced—indeed, effectively eliminated—Allan’s right to have a direct and leading role in BCI’s strategic decisions by excluding him from one of the most major decisions to ever face the Company in its existence: a potential sale of the Company itself.

**D. Without a Path to the CEO Role, John Block Chooses to Engineer a Sale of BCI.**

48. While his brother Allan has served as the Company’s CEO, John Block has also held a senior-officer position with the Company. He has served as the Publisher and Editor-in-Chief of both the *Pittsburgh Post-Gazette* and the *Toledo Blade*, two subsidiaries owned by BCI.

49. In recent years, John Block has made clear his desire to supplant his brother as CEO. He has been heard to remark that he considers himself the “sovereign” within the metaphorical kingdom of BCI.

50. Nor has John Block been shy in revealing his personal ambitions to Allan. As noted, John Block remarkably conveyed disappointment when Allan’s health issues did not result in John ascending to the role of CEO.

51. After years of simmering frustration, John Block’s angst has now apparently boiled over: In a misguided effort to assert his “sovereignty,” he decided in early 2023 to threaten to sell his stock. Originally, he suggested that he might sell his own stake in BCI pursuant to the procedures outlined in the Code of Regulations. With the benefit of hindsight, it is now clear that

this was just a tactic deployed to advance his overall strategic goal of selling the Company in its entirety if he cannot become CEO.

52. John Block's strategy, however, would throw the baby out with the bathwater. Not only does he want to deprive Allan of his role as a shareholder and CEO of the Company—he is proposing a drastic and unprecedented solution that will likely harm all shareholders given that now is a particularly inopportune time in the market to sell BCI. Indeed, as one data point, valuation multiples for companies like BCI have declined significantly over the last two years.

**E. Based on Allegations of “Abusive Treatment” of BCI Employees, the Board Launches a “Personnel Investigation” into John Block’s “Inappropriate Behavior.”**

53. Soon after John Block embarked on his plan to manufacture a sale of BCI, the Board confronted serious allegations of workplace misconduct leveled against him. On or about July 26, 2023, in response to a variety of credible complaints by BCI employees, the Board established an “advisory” committee (the “Special Investigative Committee”) to investigate “allegations of inappropriate behavior including but not limited to offensive, demeaning, insulting, harassing and otherwise abusive treatment of subordinates” by John Block (the “Personnel Investigation”).

54. The Personnel Investigation was long overdue. John Block's “out of control” behavior was previously the subject of substantial press coverage, with reports that he posed a “physical” and “verbal” “danger” to *Pittsburgh Post-Gazette* employees during a drunken “rampage” in which he demeaned and threatened staff and caused property damage inside the newsroom. John Block's minor daughter, who was present during this disturbing “tirade,” was “visibly terrified” by her father's conduct.<sup>5</sup>

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<sup>5</sup> See, e.g., *Newspaper Guild of Pittsburgh Eyewitness Accounts of the Incident Involving Pittsburgh Post-Gazette Publisher John Robinson Block*, Newspaper Guild of Pittsburgh (Feb. 13, 2019), <https://pghguild.com/2019/02/13/newspaper-guild-of-pittsburgh-eyewitness-accounts-of-the-incident-involving-pittsburgh-post-gazette-publisher-john-robinson-block/>; Tom Kludt, *A Newsroom Tirade and a Controversial Hire: Tension Rises at Pittsburgh Newspaper*, CNN

55. The Special Investigative Committee comprised Karen Johnese and Diana Block, as well as the independent director, John Straub.

56. As part of the Personnel Investigation, the Special Investigative Committee was mandated to “provide a report” to the Board regarding “the impact [of J. Block’s] behavior” on “the business of the Company.”

57. During the Personnel Investigation, a law firm retained by the Special Investigative Committee interviewed persons who allegedly had been treated “abusive[ly]” by J. Block. The interviewees “were worried about retaliation [from him].”

58. The Personnel Investigation appears to have been unfavorable to John Block. Ms. Johnese previewed those results back in August 2023. She advised the other members of the Board that the four directors representing the Family Trusts did not believe “John [Block] should [] have an editor title of any sort, or oversee any employees.” She added that John Block “should have no executive function and [should] attend BCI meetings purely as a board member.” Ms. Johnese promised “more discussion” on these points. Indeed, Ms. Johnese supported a resolution “to expand the investigation sub-committee,” presumably to share the results with the full Board.

59. Then, nothing happened. It is now 2024, and the Special Investigative Committee’s findings still have not been shared with the full Board, despite Allan’s repeated requests to learn what the Committee found.

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Business (Feb. 19, 2019), <https://www.cnn.com/2019/02/19/media/pittsburgh-post-gazette-john-block/index.html>; Tom Jones, *Pittsburgh Publisher’s Newsroom Rant: ‘It Was Wild’*, Poynter (Feb. 14, 2019), <https://www.poynter.org/newsletters/2019/publishers-tirade-surreal-lester-holt-joins-mediawise-rappler-journalist-jailed-makes-bail/>; Madison Hahamy, *Turmoil at the Toledo Blade and Pittsburgh Post-Gazette*, Columbia Journalism Review (Sept. 22, 2022), [https://www.cjr.org/business\\_of\\_news/turmoil-at-the-toledo-blade-and-pittsburgh-post-gazette.php](https://www.cjr.org/business_of_news/turmoil-at-the-toledo-blade-and-pittsburgh-post-gazette.php).

60. Instead, based on a purported sudden concern about the waiver of attorney-client privilege, the Special Investigative Committee has withheld the results of the Personnel Investigation from the rest of the Board, including Allan. The notion that sharing the results of a Board-commissioned investigation with the full Board would result in a privilege waiver makes no sense and is legally baseless. And this attempt to shroud the results in secrecy has deprived Allan of vital information necessary to assess potential risks that J. Block's behavior pose to BCI.

**F. J. Block Continues His Effort to Engineer a Sale of the Company.**

61. Despite being under investigation by the Board, John Block did not abandon his misguided effort to sell BCI. On the contrary, the investigation appears to have given him a reason to double down on his perverse plan.

62. On or about December 18, 2023, J. Block sent a letter to the Board (the "December 18 Letter"). The December 18 Letter advised that J. Block had engaged an outside advisor to value his BCI stock.

63. The December 18 Letter alluded to the fact that J. Block cannot sell his BCI stock unless he first offers Allan the opportunity to buy his holdings. So, as a workaround, the December 18 Letter requested that the Board consider a sale of the entire Company—not just J. Block's stock.

64. The December 18 Letter cited no basis to believe that a sale of the Company would be advantageous at this time.

**G. Defendants Exclude Allan from BCI's Special Strategic Committee.**

65. On or about January 22, 2024, and January 24, 2024, the Board met to consider John Block's proposal that the Company explore a sale.

66. At the meeting, the Board discussed the recommendation in J. Block's December 18 Letter to explore strategic alternatives for the Company.

67. In advance of this meeting, J. Block and the directors representing the Family Trusts prepared draft resolutions for a proposed special committee (the “Special Strategic Committee”) to explore the strategic alternatives contemplated in J. Block’s December 18 Letter.

68. The notion to put in place a Special Strategic Committee made no sense in the first instance. Such a committee was obviously not intended to manage conflicts of interest, because if it were, it would not have included the one director, J. Block, who had expressed personal liquidity concerns and previously advocated for a transaction structure that was designed to bypass the Code of Regulations to offer Allan an opportunity to purchase his shares.<sup>6</sup> Also, the Company was not facing any timing concerns with a potential sale that might have made it beneficial to form a smaller, nimbler subset of the Board to explore such a sale. On the contrary, macro conditions affecting BCI made it a particularly bad time to rush headlong into a sale.

69. Beyond the macro environment, there were other BCI-specific reasons why launching a sale process posed a problem for BCI. Most significantly, BCI was about to embark on an important project—extending its revolver, which provides a vital source of financing to run BCI’s operations. A sale process would very likely interfere with those efforts.

70. Tellingly, and consistent with an effort to freeze Allan out, these draft resolutions were not disseminated to the entire Board in advance of the meetings.

71. The particular composition of the Special Strategic Committee evidences its self-interested motives. Notably, the trustees of the Block Family Trust No. 2 are fourth-generation family members with little connection to BCI or its impact on local Ohio communities. These trustees came into exclusive control of the trust’s 25% voting power in November 2023, and within

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<sup>6</sup> See Exhibit 2, art. 13, §§ 1-2. Plaintiff reserves his right to amend the Complaint to assert a claim under the Code of Regulations in the event that he does not receive a preliminary injunction and Defendants pursue a sale that violates Plaintiff’s right of first refusal.



two months, their designated directors began supporting J. Block's ill-advised plan to seek a fire sale of BCI. Beyond the conflicted J. Block and his designated director, Ron Davenport, the Special Strategic Committee also includes Nancy Reid, the Block Family Trust No. 2's designated director, and Diana Block, Karen Johnese's representative, to ensure an immediate liquidity event.

72. Likewise, Karen Johnese's desire for a quick liquidity event contradicts the express wishes of her late father. In selecting who would replace him as a BCI director, William Block Sr., Johnese's father, was focused on designating a family member who would maintain Block family ownership of the Company. Johnese thus only became a director based on her assurances that she would not support a sale. Yet, despite her late father's wishes, Johnese has joined forces with J. Block to appoint Diana Block, a designated director of the six trusts, to the Special Strategic Committee to push forward a value-destructive sale of BCI.

73. More problematic, the Director Defendants proposed to exclude Allan's two board designees—himself and Jodi Miehl—from the Special Strategic Committee. This is especially nonsensical given that Allan and Miehl serve as the Company's CEO and President, respectively, and thus possess the most knowledge about the Company. They also have developed long-standing relationships with the Company's financial advisors who would likely play essential roles in any sale process.

74. The independent director, Straub, identified these concerns immediately. He pressed the Board to explain why they would exclude Allan from the Special Strategic Committee. Straub also questioned whether a sale would interfere with the Company's extension of its revolving credit facility and thus, harm the Company's ability to obtain capital. Allan and Miehl expressed the same concerns.

75. Straub then moved to substitute Allan for one of J. Block's designated directors on the proposed Special Strategic Committee to ensure equal representation for the Company's shareholders.

76. But before a vote could occur on Straub's motion, the six directors representing John Block and the Family Trusts suddenly asked to suspend the Board meeting to confer outside the presence of Allan, Miehl, and Straub.

77. Upon their return, Diana Block, a Family Trust director, moved to amend the original proposed resolutions in two respects, neither of which included providing Allan equal or any representation on the Special Strategic Committee.

78. In fact, the secret discussion of the directors unaffiliated with Allan resulted in a highly unusual and suspect resolution to pay excessive compensation to the Special Strategic Committee members, including (conveniently) J. Block, in the amount of \$15,000 per month to each member of the Special Strategic Committee. Not only is paying fees to the Special Strategic Committee members unnecessary and excessive (and as discussed below, inconsistent with objective market norms), but it is also out of line with BCI's historic practice of the amount of fees paid to special committee members.

79. Company counsel subsequently questioned whether making separate payments to the Special Strategic Committee is in the best interests of the Company or its shareholders, particularly when unsupported by market data. Indeed, the compensation effectively rewards Defendants for their misconduct.

80. Despite not making any finding that this is the right time to consider a sale of the Company, the six members of the Board who met in secret approved the formation of the Special Strategic Committee over the dissent of Allan, Miehl, and Straub.

81. On or about February 1, 2024, Allan sent a letter to the Board reiterating his concerns about the inappropriate timing and composition of the Special Strategic Committee in hopes of resolving the issues related to the Special Strategic Committee.<sup>7</sup> Allan also noted that his exclusion from the Special Strategic Committee was a breach of his Employment Agreement. However, Allan's concerns fell on deaf ears as the directors designated by J. Block and the Family Trusts hastily rejected Allan's letter and declared Allan to be adverse to the Company.

**H. BCI Fails to Produce Required Books and Records.**

82. On or about February 2, 2024, Allan, through his counsel, sent a demand to the Company's outside counsel, David Waterman, exercising his contractual rights under the Shareholders Agreement to "obtain copies of all financial, strategic, or other books and records of the Company and each of its affiliates." *See* Exhibit 5 ¶ 3 (the "February Demand").

83. The February Demand seeks books and records of the Company, including Board-level materials related to the formation of the Special Investigative Committee and Special Strategic Committee and information relating to J. Block's Personnel Investigation, to investigate potential mismanagement within the Company.

84. Because the Company is a family-led close corporation, its business is often conducted through informal communication channels, such as personal text messages and emails. Accordingly, the Demand also sought to inspect informal communications between the directors relating to the Special Investigative Committee and the Special Strategic Committee.

85. To date, the Company has only produced a small subset of the requested records and these productions have been incomplete. For instance, the Company produced omissive board

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<sup>7</sup> Attached hereto as Exhibit 4.

minutes from the July 26, 2023 Board meeting<sup>8</sup> where the Special Investigative Committee was formed. The minutes state that J. Block read a statement in opposition to the formation of the Special Investigative Committee and that a copy of the statement is attached to the minutes. However, a copy of this statement is noticeably absent from the Board minutes provided to Allan.

86. Further, the Company has failed to produce any informal communications between the directors relating to the Special Investigative Committee and the Special Strategic Committee, even though Allan needs that information to discharge his duties as CEO and Chairman.

87. On or about April 8, 2024, Allan was forced to send a second inspection demand to the Company, which noticed Defendants of these deficiencies and reasserted the rights identified in the February Demand.<sup>9</sup> Unsurprisingly, Defendants did not respond.

**I. Defendants Continue to Violate Allan's Contractual Rights.**

88. Apparently discontent with Allan's well-founded concerns, the Special Strategic Committee conspired to call a special meeting of the BCI Board to take place on February 27, 2024 (the "Special Meeting"). Unsurprisingly, the first item on the agenda was "to discuss procoedures [*sic*] for the Company to make payments to the members of the Strategic Committee."

89. Recognizing that the Special Meeting could be an opportunity to find a compromise and ensure that a potential transaction was considered "in a united, not divided, fashion," Allan proposed an "Amended Resolution" for the Board's consideration. Allan's Amended Resolution would appoint four members to the Special Strategic Committee—one director representing each of the four voting shareholders. The proposed Amended Resolution also contemplated appointing Miehl as a non-voting member of the Special Strategic Committee—reflecting that Miehl, as a

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<sup>8</sup> Attached hereto as Exhibit 6.

<sup>9</sup> Attached hereto as Exhibit 7.

senior officer, could provide valuable insight and perspective to the Special Strategic Committee about BCI's financial operations, and to serve as a critical point of contact between the Special Strategic Committee and the likely financial advisor.

90. The Amended Resolution also proposed a compromise on the unreasonable compensation awarded to the Special Strategic Committee members. Under the Amended Resolution, the payment of a separate fee beyond the ordinary compensation paid to board members would be subject to "a written opinion from a reputable and independent consultant experienced in matters of financial compensation for corporate board members concerning the reasonableness of the fees." In line with BCI's historical practice, the Amended Resolutions also provided that full-time employees, including Allan, John Block, and Michls, would not be entitled to fees for their service on the Special Strategic Committee. Notably, BCI's independent director, Straub, fully supported Allan's Amended Resolutions and reiterated his belief that the Board's January Resolutions should be rescinded.

91. Despite Allan's good faith attempts at compromise, the Special Meeting went according to script: The Director Defendants summarily dismissed Allan's proposal to ensure equal representation on the Special Strategic Committee and passed resolutions facilitating their pay and granting themselves broad entitlement to indemnification and advancement for their actions (the "Special Meeting Resolutions"). The Special Meeting Resolutions do not rectify Defendants' breaches. To the contrary, they solidify them.

92. For example, the Special Meeting Resolutions require Allan to "cooperate fully with the Special [Strategic] Committee . . . in all respects." This strips Allan of his right as CEO of BCI to oversee major decisions, including those involving strategic transactions. Similarly, the Special Meeting Resolutions require BCI to foot the bill for Defendants' misdeeds by granting indemnification to the members of the Special Strategic Committee. This conflicted decision

reflects the exact type of strong-arming and mismanagement that the Shareholders Agreement was drafted to avoid.

93. To distract from this, the Special Meeting Resolutions accepted Allan's recommendation to retain a compensation consultant to opine on the reasonableness of fees paid to the Special Strategic Committee. But this attempt at "compromise" is merely self-serving. Unlike Allan's proposed Amended Resolutions, which would have *conditioned* the payment of fees on the consultant's opinion, the Special Meeting Resolutions render the consultant's recommendation *non-binding* and subject to the full Board's approval. The reason for that is obvious. By putting the compensation decision in the Board's hands, Defendants effectively guaranteed that any opinion recommending non-payment or a lower payment will be rejected by a 6-3 vote.

**J. The Director Defendants Gift Themselves Excessive Compensation by Skewing the Facts Provided to a Compensation Consultant.**

94. As discussed earlier, the Board's conflicted decision to grant excessive compensation to the Special Strategic Committee members drew justified criticism from Allan, Miehl, Straub, and Company counsel. The fees were particularly unjustified because the Special Strategic Committee (as opposed to the executive directors) bring no unique expertise to the table, and had barely participated in a substantive way during Board meetings in the ordinary course.

95. BCI retained Aon to opine on the reasonableness of fees paid to the Director Defendants. In March 2024, Aon produced a report (the "First Aon Report") concluding that the fees were grossly inconsistent with compensation paid to directors by comparable companies.

96. Notably, the First Aon Report shows that comparable companies in the 90th percentile pay Special Strategic Committee members an *annual* retainer of \$10,000 per year—a far cry from the \$15,000 per month sought by the Special Strategic Committee. Further, the First

Aon Report noted that there was no basis to pay fees to John Block as a fully compensated executive or Karen Johnese, who controls in trust a significant equity investment in BCI.

97. In apparent recognition that the \$15,000 per month fees were not supported by objective data or financial common sense, the Director Defendants proposed new resolutions on March 27, 2024 (the “Compensation Resolutions”). The Compensation Resolutions reduced the proposed Special Strategic Committee fees from \$15,000 per month to \$10,000 per quarter or \$40,000 annually. In other words, the Compensation Resolutions recommend annual payments to the Special Strategic Committee members that are *four times higher* than the \$10,000 annual fee recommended in the First Aon Report.

98. But the Compensation Resolutions did not stop there. In an attempt to offset the loss of compensation from the reduced Special Strategic Committee fees, the Director Defendants restructured the Board’s annual compensation for non-executive members of the Board, *nearly doubling* their salary from BCI’s historical levels (\$150,000 per year) to \$260,000 per year. As to certain Special Strategic Committee directors, the annual salary will rise to \$300,000 in 2024 for their service. That is a *100% increase* in the compensation of Special Strategic Committee directors Diana Block, Ronald Davenport, and Nancy Reid.<sup>10</sup>

99. The Compensation Resolutions thus achieve the result rejected by the First Aon Report through other means. Rather than an exorbitant *annual retainer*, the Special Strategic Committee directors now will receive an exorbitant *annual salary*.

100. To bless this charade, the conflicted Board requested a second opinion from Aon (the “Second Aon Report”). The Second Aon Report concluded that the Compensation Resolutions were “reasonable.”

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<sup>10</sup> The Compensation Resolutions eliminated additional pay for J. Block.

101. At first blush, this 180-degree reversal is, to put it mildly, surprising. The First Aon Report tacitly rejected the concept of a \$40,000 annual retainer through its finding that nearly all comparable companies pay their Special Strategic Committee directors no more than \$10,000 per year. But upon closer inspection, an obvious explanation emerges. The Director Defendants *skewed* Aon's analysis with a one-sided view of the dispute within the Board.

102. In its "background" message to Aon about the Compensation Resolutions, putative outside counsel to the Special Strategic Committee ("Committee Counsel")<sup>11</sup> described purportedly "unique circumstances" facing the Special Strategic Committee to justify the supposed changes to the fee structure. Committee Counsel portrayed those circumstances to include: (i) "possible" litigation between Allan and the Director Defendants; and (ii) the "additional time and attention [required from] the members of the [S]pecial [Strategic] [C]ommittee" in the event litigation ensues. In other words, Committee Counsel depicted for Aon a world where the Special Strategic Committee would effectively assume a *dual role* as a special litigation committee. This motivated narrative obscured that the Board *did not authorize* the Special Strategic Committee to consider litigation issues. The Special Strategic Committee's mandate is limited to exploring strategic alternatives.

103. Aon did not question Committee Counsel's inputs. Instead, using "limited market data," Aon agreed that "the substantially greater time commitment and challenges related to the [Special Strategic Committee] compared to other committees in the market" justified the Compensation Resolutions.

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<sup>11</sup> Committee Counsel is claiming privilege over its advice to the Special Strategic Committee while simultaneously providing the same advice to the full Board. At the appropriate time, Allan reserves the right to argue that this sword-and-shield approach amounts to a privilege waiver.



104. Aon's conclusion is thus based on blind acceptance of outcome-determinative "facts" offered by the very directors who stood to benefit from the Compensation Resolutions. The Second Aon Report, then, did not offer an "independent opinion" on the reasonableness of the Compensation Resolutions. The Director Defendants got what they desperately wanted after all.

### **COUNT I**

#### **(Breach of Contractual Governance Rights – Shareholders Agreement)**

105. Plaintiff incorporates by reference, as if fully rewritten herein, all preceding paragraphs of the Complaint.

106. The Shareholders Agreement is a valid and binding contract.

107. Plaintiff and Defendants are parties to the Shareholders Agreement.

108. Plaintiff has fully performed his obligations under the Shareholders Agreement.

109. Defendants have an obligation under the Shareholders Agreement to ensure that Plaintiff is given equal participation in the governance of BCI and has information he needs to satisfy his fiduciary obligations as BCI's CEO and Chairman.

110. Defendants breached that obligation by preventing Plaintiff from obtaining full knowledge of the Personnel Investigation.

111. Defendants also breached this obligation by excluding Plaintiff from participation in the Special Strategic Committee.

112. Defendants also breached this obligation by forming a Special Strategic Committee to satisfy John Block's parochial interests, rather than the interests of BCI and its stockholders, including Plaintiff.

113. Defendants' breaches have directly caused Plaintiff harm by depriving him of his equal role in the governance of the Company.

114. Defendants agreed in the Shareholders Agreement that any breach of the Shareholders Agreement would result in irreparable harm to Plaintiff, and Plaintiff has experienced and will continue to experience irreparable harm as a result of Defendants' breaches.

115. Plaintiff therefore requests equitable relief, including an injunction, to remedy Defendants' breaches.

## **COUNT II**

### **(Breach of Contractual Inspection Rights – Shareholders Agreement)**

116. Plaintiff incorporates by reference, as if fully rewritten herein, all preceding paragraphs of the Complaint.

117. The Shareholders Agreement is a valid and binding contract.

118. Plaintiff and Defendants are parties to the Shareholders Agreement.

119. Plaintiff has fully performed his obligations under the Shareholders Agreement.

120. The Shareholders Agreement affords Plaintiff rights to inspect BCI's books and records that are broader than the inspection rights afforded under Ohio statute.

121. Defendants have a duty under the Shareholders Agreement to allow Plaintiff to access and inspect all the Company's books and records, including but not limited to, all financial and strategic documents and all documents made by and/or at the direction of BCI committees.

122. Defendants have breached this duty by refusing to produce all the documents that Plaintiff has requested, including but not limited to, all documents surrounding and/or concerning the Personnel Investigation, and all documents surrounding and/or concerning the Special Strategic Committee and a potential strategic sale of BCI.

123. Defendants' breaches have directly caused harm to Plaintiff by depriving him of access to information to which he is contractually entitled and preventing him from obtaining the facts necessary to plead his claims in full detail.

124. Defendants agreed in the Shareholders Agreement that any breach of the Shareholders Agreement would result in irreparable harm to Plaintiff, and Allan has experienced, and will continue to experience, irreparable harm as a result of Defendants' breaches.

### **COUNT III**

#### **(Breach of the Implied Covenant – Shareholders Agreement)**

125. Plaintiff incorporates by reference, as if fully rewritten herein, all preceding paragraphs of the Complaint.

126. The implied covenant of good faith and fair dealing inheres in every contract governed by Ohio law.

127. The implied covenant prevents a party to a contract from interfering with a counterparty's rights or refusing to cooperate with the counterparty to ensure the purpose of the contract is fulfilled.

128. Defendants committed a predicate breach of contract for the reasons described above.

129. Defendants' breaches further amount to a breach of the implied covenant because Defendants are intentionally frustrating the equality purpose of the Shareholders Agreement by excluding Plaintiff from participation in the governance of BCI, including as to the Personnel Investigation and potential sale of the Company.

130. Defendants' breaches have directly caused Plaintiff harm by depriving him of his rightful role in the management of the Company.

131. Defendants agreed in the Shareholders Agreement that any breaches of the Shareholders Agreement would result in irreparable harm to Plaintiff, and Plaintiff has experienced and will continue to experience irreparable harm as a result of Defendants' breaches.

132. Plaintiff therefore requests equitable relief, including an injunction, to remedy Defendants' breaches.

#### **COUNT IV**

##### **(Breach of Contract – Employment Agreement)<sup>12</sup>**

133. Plaintiff incorporates by reference, as if fully rewritten herein, all preceding paragraphs of the Complaint.

134. The Employment Agreement is a valid and binding contract.

135. Plaintiff and BCI are parties to the Employment Agreement.

136. Plaintiff has fully performed under the Employment Agreement.

137. The Employment Agreement obligates the Company to allow Plaintiff to oversee major decisions involving the Company, including a sale of the Company.

138. The Employment Agreement further prohibits the Company from giving J. Block more responsibilities or benefits than the Company has given to Plaintiff.

139. BCI has breached these obligations by forming a Special Strategic Committee. BCI has also breached these obligations by excluding Plaintiff from participation in the Special Strategic Committee and by allowing J. Block to serve on the Special Strategic Committee.

140. BCI's breaches have directly caused Plaintiff harm by depriving him of his rightful role in the management of the Company.

141. The Company agreed in the Employment Agreement that monetary relief may be inadequate to remedy the harm caused to Plaintiff by its breaches and that, as a result, Plaintiff may seek equitable relief instead.

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<sup>12</sup> Pursuant to the arbitration clause in the Employment Agreement, Allan is simultaneously commencing an arbitration against BCI to obtain non-injunctive relief from BCI's breaches of the Employment Agreement.

142. Plaintiff therefore requests an injunction to remedy BCI's breaches.

**PRAYER**

WHEREFORE, Plaintiff hereby demands judgment against Defendants as follows:

- A. That Plaintiff receive a jury trial on the merits of the claims described in the Complaint;
- B. That the Director Defendants be preliminarily enjoined from selling the Company;
- C. That Defendants be preliminarily and permanently enjoined to place Plaintiff on the Special Strategic Committee;
- D. That Defendants be preliminarily enjoined from spending corporate funds through the Special Strategic Committee until Plaintiff is placed on the Special Strategic Committee;
- E. That Defendant BCI be enjoined to provide Plaintiff, at a reasonable time and place, complete access to all the books and records requested in his two inspection demands;
- F. That Defendant BCI be enjoined to provide indemnification to Allan;
- G. That Plaintiff be awarded pre-judgment and post-judgment interest;
- H. That Plaintiff be awarded reasonable attorneys' fees and costs; and
- I. That Plaintiff be awarded all other legal and equitable relief to which he may be entitled.

Respectfully submitted,

/s/ James P. Silk, Jr.

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*Counsel for Plaintiff*

OF COUNSEL:

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John Del Monaco (*pro hac vice* forthcoming)

Joseph Taglienti (*pro hac vice* forthcoming)

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**JURY DEMAND**

Plaintiff demands trial by jury on all issues so triable.

/s/ James P. Silk, Jr.

James P. Silk, Jr.

*Counsel for Plaintiff*

**VERIFICATION**

ALLAN BLOCK,	)
	)
Plaintiff,	)
	)
v.	)
	)
BLOCK COMMUNICATIONS, INC.,	)
JOHN R. BLOCK, WILLIAM BLOCK, JR.	)
EXEMPT AND NON-EXEMPT TRUSTS,	)
DONALD G. BLOCK EXEMPT AND	)
NON-EXEMPT TRUSTS, KAREN D.	)
JOHNESE EXEMPT AND NON-EXEMPT	)
TRUSTS, BARBARA L. BLOCK	)
EXEMPT AND NON-EXEMPT TRUSTS,	)
BLOCK FAMILY TRUST	)
NO. 2, KAREN JOHNESE, DIANA	)
BLOCK, RON DAVENPORT, NANCY	)
REID, and EMILY ESCALANTE,	)
	)
Defendants.	)

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Allan Block, being first duly sworn according to law, deposes and says that he has read the foregoing Verified Complaint and that the statements contained therein are true and correct, to the best of his knowledge, information, and belief. So far as on information and belief, he further states that he believes the information to be true.



\_\_\_\_\_  
Allan Block

Dated: May 8, 2024

# **Exhibit 1**



## **SHAREHOLDERS AGREEMENT**

SHAREHOLDERS AGREEMENT, dated as of December ~~17~~ 2019 (this "Agreement") by and among Block Communications, Inc., an Ohio corporation (the "Company"), Allan Block and John R. Block (the "Paul Block, Jr. Family Shareholders"), the William Block, Jr. Exempt and Non-Exempt Trusts, the Donald G. Block Exempt and Non-Exempt Trusts, the Karen D. Johnese Exempt and Non-Exempt Trusts and the Barbara L. Block Exempt and Non-Exempt Trusts (collectively, the "Exempt and Non-Exempt Trusts") and Block Family Trust No. 2 (collectively with the Exempt and Non-Exempt Trusts, the "William Block, Sr. Family Shareholders").

### **WITNESSETH:**

WHEREAS, each of the Paul Block, Jr. Family Shareholders owns and has the right and power to vote, directly or indirectly, twenty-five percent (25%) of the issued and outstanding shares of Voting Common Stock of the Company;

WHEREAS, the Exempt and Non-Exempt Trusts hold twenty-five percent (25%) of the issued and outstanding shares of Voting Common Shares, and Karen Johnese, as a trustee, has sole voting power relating to such Shares;

WHEREAS, the Block Family Trust No. 2 holds twenty-five percent (25%) of the issued and outstanding shares of Voting Common Shares, and Donald G. Block is currently Chairperson of the five trustees of such trust; and

WHEREAS, the parties hereto deem it in their best interests and in the best interests of the Company to provide consistent and uniform management for the Company and desire to enter into this Agreement in order to effectuate that purpose.

NOW, THEREFORE, in consideration of the mutual agreements and understandings set forth herein, the parties hereto hereby agree as follows:

### **ARTICLE I MANAGEMENT**

Section 1.1 No Conflict with Agreement. Each Shareholder shall vote his, her or its shares of Voting Common Stock, and shall take all actions necessary, to ensure that the Articles of Incorporation and Code of Regulations do not, at any time, conflict with the provisions of this Agreement.

**ARTICLE II  
CORPORATE GOVERNANCE**

**Section 2.1    Board of Directors.**

(a)    The Shareholders hereby agree that at all times after December 31, 2019, the Board of Directors of the Company shall consist of nine members. The Shareholders shall take all actions necessary to elect the designees described below to be members of the Company's Board of Directors:

(i)    Two individuals designated at any time and from time to time by Allan Block or his heirs or other successors in interest, who initially will be Allan Block and Jodi Miehl.

(ii)   Two individuals designated at any time and from time to time by John R. Block or his heirs or other successors in interest, who initially will be John R. Block and Andrew G. Douglas.

(iii)   Two individuals designated at any time and from time to time by Karen D. Johnese, as voting trustee of the Exempt and Non-Exempt Trusts or her successors as set forth in the trusts, who initially will be Karen D. Johnese and Diana Block.

(iv)   Two individuals designated at any time and from time to time by Block Family Trust No. 2, and communicated by Donald G. Block, current Chairperson of the Board of Trustees or his successors as set forth in the trust, who initially will be Donald G. Block and William Block, Jr.

(v)    A Director, who will be designated at any time and from time to time by mutual agreement of a majority of the Paul Block, Jr. Family Directors and the William Block, Sr. Family Directors, who initially will be John C. Straub.

(b)    For the purposes of this Agreement, the Articles of Incorporation and Code of Regulations, the Paul Block, Jr. Family Directors will refer to the directors designated pursuant to clauses (a) (i) and (ii) above, the William Block, Sr. Family Directors will refer to the directors designated pursuant to clauses (a) (iii) and (iv) above, and all of such Directors shall be referred to as Family Directors. The director designated pursuant to clause (v) above shall be referred to as the Independent Director.

(c)    Each Shareholder hereby agrees to vote all shares of Voting Common Stock owned or held of record by such Shareholder at each annual or special meeting of Shareholders of the Company at which directors of the Company are to be elected, in favor of, or to take all actions by written consent in lieu of any such meeting as are necessary to cause, the election as members of the Board of Directors of those individuals described in Section 2.1(a) in accordance with, and to otherwise effect the intent of, the provisions of Section 2.1(a). A Director may be removed from the Board of Directors only by the Shareholder entitled to designate such Director pursuant to this Article II.

(d) By agreeing to the terms of this Agreement and the election of Directors by the consent of all Shareholders to provide an expedited process for the same and preserve the rights of each Shareholder, no inference should be drawn that any Shareholder vouches for the expertise, knowledge or capabilities of any Director designated by any other Shareholder.

**Section 2.2 Vacancies.** In the event that a vacancy is created on the Board of Directors at any time by the death, disability, retirement, resignation or removal of any member of the Board, or for any other reason there shall exist or occur any vacancy on the Board, each Shareholder hereby agrees to take such actions as will result in the election or appointment as a Director, (i) in the case of Directors designated pursuant to Section 2(a)(i)-2(a)(iv) above, of an individual designated or elected to fill such vacancy and serve as a director by the Shareholder that had designated or elected the Director whose death, disability, retirement, resignation or removal resulted in such vacancy on the Board, or (ii) in the case of a Director designated pursuant to Section 2(a)(v) above, an individual designated as provided in such Section. In the interim from the time the vacancy is created until a new Director is elected, if the vacancy is for a Family Director, the remaining Director appointed by the particular Shareholder may appoint a replacement to act as a Director until a new Director is duly elected. In the event of the death, resignation or removal of the Independent Director, the Family Directors, in the aggregate, shall have the power and authority to vote in his stead on all matters to come before the Board of Directors, until such time as a successor shall be duly appointed in accordance with the provisions herein.

**Section 2.3 Fiduciary Obligations.** Each Director shall, as a condition to accepting the position and continuing to serve, commit to devote sufficient time and attention to review and evaluate all business plans, prospects, financial situation and opportunities of the Company and its affiliates and become knowledgeable in the industries in which the Company and its affiliates operate or may in the future operate so as to be able to offer meaningful input during Board meetings and otherwise to faithfully perform his or her duties as a fiduciary of the Company and its shareholders and to meet the standard of care required of a fiduciary. This Section 2.3 is intended to reaffirm the parties' commitment to Ohio law and the rights and duties of each Director as provided by Ohio law are in no way altered hereby.

**Section 2.4 Management.** The Board of Directors shall designate Allan Block as sole Chief Executive Officer, President and Chairman of the Board of the Company through December 31, 2021 (or until his earlier resignation or death), and he may thereafter continue to serve in such capacities during the pleasure of the Board. The Board of Directors shall designate John Block as the Editor in Chief of the Pittsburgh Post-Gazette and the Toledo Blade and as Vice Chairman of the Board through December 31, 2020 (or his earlier resignation or death), and he may thereafter continue to serve in such capacities during the pleasure of the Board. The provision of the Code of Regulations regarding Co-Chairmen of the Board and Co-Executive Officers shall be stricken. During Calendar Year 2020, the Board of Directors (i) shall endeavor to develop and approve compensation terms and agreements for such key executives and non-employee Directors as the Board decides is in the best interest of the Company who are not otherwise covered by such agreements and

(ii) shall conduct or cause others to conduct a review of the Code of Regulations to ensure no conflict with the terms hereof.

**Section 2.5 Covenant to Vote.** Each Shareholder hereby agrees to take all actions necessary to call, or cause the Company and the appropriate officers and Directors of the Company to call, an annual meeting (and when circumstances so require, a special meeting) of Shareholders of the Company and to vote all shares of Voting Common Stock owned or held of record by such Shareholder at any such meeting and at any other annual or special meeting of Shareholders in favor of, or take all actions by written consent in lieu of any such meeting as may be necessary to cause, the election as members of the Board of those individuals so designated in accordance with, and to otherwise effect the intent of, this Article II. In addition, each Shareholder agrees to vote the shares of Voting Common Stock owned by such Shareholder upon any other matter arising under this Agreement submitted to a vote of the Shareholders in such a manner as to implement the terms of this Agreement.

### **ARTICLE III TERM**

This Agreement shall commence on January 1, 2020 and expire on December 31, 2024, unless terminated sooner as provided in Section 5.3. The obligations of each party and mutual delegation of voting rights as set forth herein shall be irrevocable throughout the term and shall be deemed coupled with an interest.

### **ARTICLE IV CERTAIN DEFINITIONS**

As used in this Agreement, the following terms shall have the following respective meanings:

Articles of Incorporation shall mean the Articles of Incorporation of the Company as in effect on the date hereof and as hereafter from time to time amended, restated, modified or supplemented in accordance with the terms hereof and pursuant to applicable law.

Block Family Trust No. 2 is defined in the Introduction.

Board of Directors or Board shall mean the Board of Directors of the Company, as duly constituted in accordance with this Agreement, the Articles of Incorporation, the Code of Regulations and applicable law.

Code of Regulations shall mean the Code of Regulations of the Company as amended and in effect on the date hereof, and as hereafter further amended or restated in accordance with the terms hereof and pursuant to applicable law.

Common Stock shall mean the Common Stock, \$.10 par value, of the Company, and shall include the Voting and Non-Voting Common Stock.

Company is defined in the Introduction.

Exempt and Non-Exempt Trusts are defined in the Introduction.

Family Director is defined in Section 2.1(b).

Independent Director is defined in Section 2.1(b).

Non-Voting Common Stock shall mean the shares of non-voting common stock, without par value, of the Company.

Paul Block, Jr. Family Directors are defined in Section 2.1(b).

Paul Block, Jr. Family Shareholders are defined in the Introduction.

Person shall mean an individual or a corporation, association, partnership, joint venture, organization, business, trust, or any other entity or organization, including a government or any subdivision or agency thereof.

Shareholder shall mean any Shareholder (and any permitted transferee of any such Person who becomes a party to or bound by the provisions of this Agreement in accordance with the terms hereof). The Exempt and Non-Exempt Trusts are each Shareholders with Karen Johnese being a trustee of each holding the right to vote the shares of Voting Common Stock held by each. The Block Family Trust No. 2 is a Shareholder with five trustees, the Chair of which is Donald G. Block.

Voting Common Stock shall mean the shares of voting common stock, \$.10 par value, of the Company.

William Block, Sr. Family Directors are defined in Section 2.1(b).

William Block, Sr. Family Shareholders are defined in the Introduction.

## ARTICLE V MISCELLANEOUS

### Section 5.1 Representations and Warranties.

(a) Karen D. Johnese hereby represents and warrants that she is a trustee of each of the Exempt and Non-Exempt Trusts, that the trusts collectively hold of record 7,350 shares of Voting Common Stock of the Company representing twenty-five percent (25%) of all shares of Voting Common Stock issued and outstanding, that she has the sole power to vote the shares of Voting Common Stock held by the trusts and that she has all requisite power and authority to execute this Agreement for and on behalf of the trusts.

(b) Block Family Trust No. 2 hereby represents and warrants that Donald G. Block is a trustee and Chairperson of the Board of Trustees of Block Family Trust No. 2, that the trust holds of record 7,350 shares of Voting Common Stock of the Company representing twenty-five percent (25%) of all shares of Voting Common Stock issued and outstanding, and that Donald G. Block has all requisite power and authority to enter into this Agreement for and on behalf of such trust.

(c) Allan Block hereby represents and warrants the he holds record title to 7,350 shares of Voting Common Stock of the Company representing 25% of all such shares issued and outstanding and has all requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder.

(d) John R. Block hereby represents and warrants that he holds record title to 7,350 shares of Voting Common Stock of the Company representing 25% of all such shares issued and outstanding and has all requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder.

**Section 5.2 Access to Information.** Each shareholder and each Director may visit and inspect any of the properties of the Company and its affiliates, obtain copies of all financial, strategic and other books and records of the Company and each of its affiliates timely upon request and be afforded the opportunity to discuss the affairs of the Company and its affiliates with the officers and independent public accountants of the Company at all such reasonable times as he or she may so desire. All materials and information obtained pursuant to this Section shall be kept confidential by the Shareholders and Directors and shall not be disclosed to any third party unless expressly agreed to by the Company or as required pursuant to applicable law.

**Section 5.3 Successors and Assigns.** Except as otherwise provided herein, all of the terms and provisions of this Agreement shall be binding upon, shall inure to the benefit of and shall be enforceable by the respective successors and assigns of the parties hereto. No Shareholder may assign any of its rights hereunder to any Person other than a transferee of the Voting Common Stock or rights to vote the Voting Common Stock. Transfers of Voting Common Stock are subject to restrictions on transfer contained in the Code of Regulations. If any transferee of any Shareholder shall acquire any Voting Common Stock, in any manner, whether by operation of law or otherwise, such shares shall be held subject to all of the terms of this Agreement, and by taking and holding such shares such Person shall be conclusively deemed to have agreed to be bound by and to comply with all of the terms and provisions of this Agreement.

**Section 5.4 Amendment and Modification; Waiver of Compliance; Conflicts.**

(a) This Agreement may be amended only by a written instrument duly executed by all of the holders of Voting Common Stock or the right to vote Voting Common Stock. In the event of the amendment or modification of this Agreement in accordance with its terms, the Shareholders shall cause the Board of Directors to meet within 30 calendar days following such amendment or modification or as soon thereafter as is practicable for the purpose of adopting any amendment to the Articles of Incorporation and Code of Regulations of the Company that may

be required as a result of such amendment or modification to this Agreement, and, if required, proposing such amendments to the Shareholders entitled to vote thereon, and the Shareholders agree to vote in favor of such amendments.

(b) Except as otherwise provided in this Agreement, any failure of any of the parties to comply with any obligation, covenant, agreement or condition herein may be waived by the party entitled to the benefits thereof only by a written instrument signed by the party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

(c) In the event of any conflict between the provisions of this Agreement and the provisions of any other agreement, the provisions of this Agreement shall govern and prevail.

**Section 5.5 Notices.** All notices, requests, and other communications hereunder must be in writing and will be deemed to have been duly given only if (a) delivered personally against written receipt, (b) sent by facsimile or e-mail transmission, (c) mailed by registered or certified mail, postage prepaid, return receipt requested, or (d) mailed by reputable international overnight courier, fee prepaid, to the parties hereto at the following addresses or facsimile numbers:

(a) If to a Shareholder, to the address of such Shareholder as set forth in the stock records of the Company.

(b) If to the Company, addressed to the Company at 405 Madison Avenue, Suite 2100, Toledo, Ohio 43604.

All such notices, requests and other communications will be deemed given, (w) if delivered personally as provided in this Section, upon delivery, (x) if delivered by facsimile or e-mail transmission as provided in this Section, upon confirmed receipt, (y) if delivered by mail as provided in this Section, upon the earlier of the fifth business day following mailing and receipt, and (z) if delivered by overnight courier as provided in this Section, upon the earlier of the second business day following the date sent by such overnight courier and receipt (in each case regardless of whether such notice, request or other communication is received by any other Person to whom a copy of such notice is to be delivered pursuant to this Section). Any party hereto may change the address to which notices, requests and other communications hereunder are to be delivered by giving the other parties hereto notice in the manner set forth herein.

**Section 5.6 Entire Agreement.** This Agreement and the other writings referred to herein or delivered pursuant hereto which form a part hereof contain the entire agreement among the parties hereto with respect to the subject transactions contemplated hereby and supersede all prior oral and written agreements and memoranda and undertakings among the parties hereto with regard to this subject matter.

**Section 5.7 Injunctive Relief.** The Shareholders and the Company acknowledge and agree that a violation of any of the terms of this Agreement will cause the Shareholders irreparable injury for which an adequate remedy at law is not available. Therefore, the

Shareholders and the Company agree that each Shareholder shall be entitled to an injunction, restraining order or other equitable relief from any court of competent jurisdiction, restraining any Shareholder and the Company from committing any violations of the provisions of this Agreement.

Section 5.8 Inspection. For so long as this Agreement shall be in effect, this Agreement shall be made available for inspection by any Shareholder at the principal executive offices of the Company.

Section 5.9 Headings. The section and paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 5.10 Governing Law. This Agreement shall be governed by, construed, applied and enforced in accordance with the laws of the State of Ohio.

Section 5.11 Consent to Jurisdiction. Each party agrees that any and all actions or proceedings arising out of or relating to this Agreement shall be commenced and prosecuted in the United States District Court for the Northern District of Ohio, Western Division, and the Appellate Courts therefrom and the state courts in the State of Ohio, Lucas County, and each party irrevocably waives any right to object to such venue and consents and submits to the personal jurisdiction of such courts. Each party consents to service of process upon it with respect to any such action or proceeding by registered mail, return receipt requested, and by any other means permitted by applicable laws.

Section 5.12 Effective Date. This Agreement shall not be effective or binding upon the parties unless and until all parties have signed below.

Section 5.13 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

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**SIGNATURE PAGE FOLLOWS**



BLOCK COMMUNICATIONS, INC.

By: allan Block

Title: Chairman

allan Block  
Allan Block

John R. Block

EXEMPT AND NON-EXEMPT TRUSTS

By: Karen D. Johnese, Voting Trustee

BLOCK FAMILY TRUST NO. 2

By: Donald G. Block, Chairperson,  
Board of Trustees

BLOCK COMMUNICATIONS, INC.

By: \_\_\_\_\_

Title: \_\_\_\_\_

EXEMPT AND NON-EXEMPT TRUSTS

By: \_\_\_\_\_  
Karen D. Johnese, Voting Trustee

BLOCK FAMILY TRUST NO. 2

\_\_\_\_\_  
Allan Block

 12/27/2019  
John R. Block

By: \_\_\_\_\_  
Donald G. Block, Chairperson,  
Board of Trustees

**BLOCK COMMUNICATIONS, INC.**

By: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
Allan Block

\_\_\_\_\_  
John R. Block

**EXEMPT AND NON-EXEMPT TRUSTS**

By: Karen D. Joffe  
Karen D. Joffe, Voting Trustee

**BLOCK FAMILY TRUST NO. 2**

By: \_\_\_\_\_  
Donald G. Block, Chairperson,  
Board of Trustees

BLOCK COMMUNICATIONS, INC.

By: \_\_\_\_\_

Title: \_\_\_\_\_


\_\_\_\_\_  
Allan Block

\_\_\_\_\_  
John R. Block

EXEMPT AND NON-EXEMPT TRUSTS

By: \_\_\_\_\_  
Karen D. Johnese, Voting Trustee

BLOCK FAMILY TRUST NO. 2

By:   
Donald G. Block, Chairperson,  
Board of Trustees

# **Exhibit 2**

**BLOCK COMMUNICATIONS, INC.  
SHAREHOLDERS WRITTEN CONSENT**

---

The undersigned, being all of the voting shareholders of Block Communications, Inc., an Ohio corporation (the "Company"), acting by written consent without a meeting, hereby consent to the adoption of, and do hereby adopt, the following resolution:

**RESOLVED**, that the Code of Regulations of the Company as in effect on December 31, 2019, is hereby amended and restated in its entirety in the form attached as Exhibit A, effective as of January 1, 2020.

**IN WITNESS WHEREOF**, the undersigned have hereunto set their hands this

22nd day of JUNE, 2020.

  
Allan Block

\_\_\_\_\_  
John Robison Block

**William Block, Jr. Exempt and Non-Exempt Trusts, the Donald G. Block Exempt and Non-Exempt Trusts, the Karen D. Johnese Exempt and Non-Exempt Trusts and the Barbara L. Block Exempt and Non-Exempt Trusts**

**BLOCK FAMILY TRUST NO. 2**

By: \_\_\_\_\_  
Karen D. Johnese, Voting Trustee

By: \_\_\_\_\_  
Donald G. Block, Chairperson  
Board of Trustees

**BLOCK COMMUNICATIONS, INC.  
SHAREHOLDERS WRITTEN CONSENT**

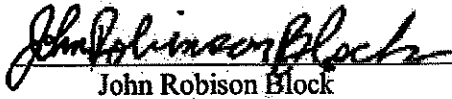
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**IN WITNESS WHEREOF**, the undersigned have hereunto set their hands this  
20th day of June, 2020.

\_\_\_\_\_  
Allan Block

  
John Robison Block

**William Block, Jr. Exempt and Non-Exempt Trusts, the Donald G. Block Exempt and Non-Exempt Trusts, the Karen D. Johnese Exempt and Non-Exempt Trusts and the Barbara L. Block Exempt and Non-Exempt Trusts**

**BLOCK FAMILY TRUST NO. 2**

By: \_\_\_\_\_  
Karen D. Johnese, Voting Trustee

By: \_\_\_\_\_  
Donald G. Block, Chairperson  
Board of Trustees

**BLOCK COMMUNICATIONS, INC.  
SHAREHOLDERS WRITTEN CONSENT**

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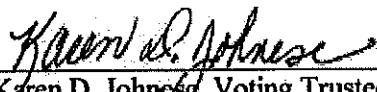
21<sup>st</sup> day of June, 2020.

\_\_\_\_\_  
Allan Block

\_\_\_\_\_  
John Robison Block

**William Block, Jr. Exempt and Non-Exempt Trusts, the Donald G. Block Exempt and Non-Exempt Trusts, the Karen D. Johnese Exempt and Non-Exempt Trusts and the Barbara L. Block Exempt and Non-Exempt Trusts**

**BLOCK FAMILY TRUST NO. 2**

By:   
Karen D. Johnese, Voting Trustee

By: \_\_\_\_\_  
Donald G. Block, Chairperson  
Board of Trustees



**BLOCK COMMUNICATIONS, INC.  
SHAREHOLDERS WRITTEN CONSENT**

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**RESOLVED**, that the Code of Regulations of the Company as in effect on December 31, 2019, is hereby amended and restated in its entirety in the form attached as Exhibit A, effective as of January 1, 2020.

**IN WITNESS WHEREOF**, the undersigned have hereunto set their hands this \_\_\_\_\_ day of \_\_\_\_\_, 2020.


\_\_\_\_\_  
Allan Block

\_\_\_\_\_  
John Robison Block

**William Block, Jr. Exempt and Non-Exempt Trusts, the Donald G. Block Exempt and Non-Exempt Trusts, the Karen D. Johnese Exempt and Non-Exempt Trusts and the Barbara L. Block Exempt and Non-Exempt Trusts**

**BLOCK FAMILY TRUST NO. 2**

By: \_\_\_\_\_  
Karen D. Johnese, Voting Trustee

By:   
Donald G. Block, Chairperson  
Board of Trustees

**EXHIBIT A**  
**CODE OF REGULATIONS**  
**OF**  
**BLOCK COMMUNICATIONS, INC.**

Set forth below is the Code of Regulations (the "Regulations") of Block Communications, Inc., an Ohio corporation (the "Company"), for the government of the Company, the conduct of its affairs and the management of its properties, as adopted by the shareholders of the Company effective as of January 1, 2020.

**ARTICLE I**  
**Offices**

Section 1. **Principal Office.** The principal office of the Company shall be at 405 Madison Avenue, Suite 2100, Toledo, Lucas County, Ohio or as otherwise may be designated from time to time by the Board of Directors of the Company (the "Board").

Section 2. **Other Offices.** The Company shall also have offices at such other places within, as well as without, the State of Ohio as the Board may from time to time determine.

**ARTICLE II**  
**Meetings of Shareholders**

Section 1. **Annual Meeting.** Subject to the provisions of that certain Shareholders Agreement dated December 27, 2019, as the same may be amended from time to time (the "Shareholders Agreement"), the annual meeting of shareholders of the Company for the purpose of fixing or changing the number of directors of the Company, electing directors, considering financial statements and other reports and transacting such other business as may properly come before the meeting shall be held on such date and at such time as shall be designated from time to time by the Board. Upon due notice, there may be considered and acted upon at the annual meeting of shareholders any matter that may properly be considered and acted upon by the shareholders.

Section 2. **Special Meetings.** Special meetings of shareholders may be called at any time by (i) the Chairman of the Board, (ii) the Chief Executive Officer, (iii) at least four (4) members of the Board acting with or without a meeting or (iv) the holder or holders of at least one-half (1/2) of all the shares of the Company outstanding and entitled to vote thereat.

Section 3. **Place of Meetings.** Meetings of shareholders shall be held at the principal office of the Company, the offices of the Company's subsidiary, the PG Publishing Company, or at such other place within or without the State of Ohio as designated by the Board.

Section 4. Notice of Meetings. Unless waived, a written notice of the hour, day, place and purpose or purposes of any meeting of shareholders shall be given to each shareholder of record entitled thereto, determined as of the record date therefor. Such notice shall be given not less than seven (7) days nor more than sixty (60) days before the date fixed for the meeting and as prescribed by law. Such notice shall be given to each shareholder entitled to receive notice either by personal delivery or by regular mail, overnight delivery service or any other means of communication authorized by the shareholder to whom notice is given. The Chairman of the Board, Chief Executive Officer, President, Secretary, Assistant Secretary, or any other person authorized by the Board shall give such notice. If such notice is mailed, or sent by overnight delivery service, it shall be directed, postage prepaid, to the shareholders who are entitled to vote at their respective addresses as they appear upon the records of the Company, and notice shall be deemed to have been given on the day so mailed. If sent by other means of communication authorized by the shareholder, the notice shall be sent to the address furnished by the shareholder for their transmissions. All notices with respect to any shares of record in the name of two or more persons may be given to whichever of such persons is named first upon the books of the Company, and notice so given shall be sufficient and effective notice to all the holders of such shares.

Section 5. Waiver of Notice. Notice of the hour, day, place and purpose or purposes of any meeting of shareholders, whether required by law, the Articles of Incorporation of the Company (the "Articles"), or these Regulations, may be waived in writing, including by telegram, electronic mail or an electronic or other transmission capable of authentication, either before or after the holding of such meeting, by any shareholder entitled thereto. Attendance of any shareholder at any such meeting without protesting prior to or at the commencement of the meeting shall be deemed to be a waiver of notice.

Section 6. Quorum. The procedure for election of directors is set forth in the Shareholders Agreement and shall be followed throughout its term. Thereafter, voting shareholders representing all of the outstanding voting shares must be present in person or by proxy at any meeting thereof for the determination of the number of directors, or the election of directors. At any meeting called for any other purpose, voting shareholders representing a majority of the outstanding shares must be present in person or by proxy to constitute a quorum. On any matter for which holders of non-voting stock are entitled to vote pursuant to Ohio law, holders of a majority of such shares must be present in person or by proxy to constitute a quorum in addition to the holders of voting shares.

At any meeting of shareholders at which a quorum is present, all questions and business that shall come before the meeting shall be determined by the vote of the holders of a majority of all the outstanding shares entitled to vote, except when a greater proportion is required by law, the Articles, or these Regulations. At any meeting of shareholders, the holders of a majority of the voting shares represented by shareholders present in person or by proxy may adjourn such meeting from time to time and from place to place without notice other than by announcement at the meeting.

Section 7. Proxies. A shareholder who is entitled to attend a shareholders' meeting, to vote, or to execute consents, waivers or releases, may be represented at such meeting and vote, and execute consents, waivers and releases, and exercise any of such shareholder's other rights,

by proxy or proxies appointed by a writing signed by such shareholder or appointed by a verifiable communication authorized by the shareholder.

Any transmission that creates a record capable of authentication, including, but not limited to, a telegram, cablegram, electronic mail, or an electronic, telephonic, or other transmission that appears to have been transmitted by a person who appoints a proxy is a sufficient verifiable communication to appoint a proxy. A photographic, photostatic, facsimile transmission, or equivalent reproduction of a writing that is signed by a shareholder that appoints a proxy is a sufficient writing to appoint a proxy.

No appointment of a proxy shall be valid after the expiration of eleven (11) months after it is made unless the writing specifies the date on which it is to expire or the length of time it is to continue in force. Every appointment of a proxy shall be revocable. Without affecting any vote previously taken, the person appointing the proxy may revoke a revocable appointment by a later appointment received by the Company or by giving notice of revocation to the Company in writing or in open meeting. The presence at a meeting of the person appointing a proxy does not revoke the appointment. A revocable appointment of a proxy is not revoked by the death or incompetency of the maker unless, before the vote is taken or the authority granted is otherwise exercised, written notice of such death or incompetency is received by the Company from the executor or administrator of the estate of such maker or from the fiduciary having control of the shares in respect of which the proxy was appointed. Unless the writing appointing a proxy otherwise provides, each and every proxy shall have the power of substitution.

If authorized by the directors, shareholders and proxy holders who are not physically present at a meeting of the shareholders may attend a meeting of the shareholders by use of communications equipment that enables the shareholder or proxy holder an opportunity to participate in the meeting and to vote on matters submitted to the shareholders. Any shareholders using communications equipment will be deemed present in person at the meeting whether the meeting is to be held at a designed place or solely by means of communications equipment.

Section 8. Voting. At any meeting of shareholders, except as otherwise provided by law or by the Articles or these Regulations, each shareholder shall be entitled to one vote (or fraction thereof in case of fractional shares) in person or by proxy for each share of the Company (or fraction thereof in the case of fractional shares) registered in his, her or its name on the books of the Company on the date fixed as the record date for the determination of shareholders entitled to vote at such meeting. When a trustee or any other fiduciary has furnished to the Company proof, satisfactory to the Company, of his or her authority to do so, such person may vote and execute consents and objections to consents with respect to shares not of record in his or her name.

Section 9. Financial Reports. At the annual meeting of shareholders, or a meeting held in lieu thereof, there shall be laid before the shareholders a consolidated financial statement of the Company and its affiliates.

Section 10. Action without Meeting. Any action that may be authorized or taken at any meeting of shareholders may be authorized or taken without a meeting in a writing or

writings signed by all of the holders of shares who would be entitled to notice of a meeting of shareholders held for such purpose.

Section 11. Organization of Meetings. The Chairman of the Board, or, in his or her absence, a Vice Chairman of the Board, shall call all meetings of the shareholders to order and shall act as Chairman thereof. The Secretary or Assistant Secretary of the Company, as they may agree, or, in their absence, a person appointed by the Chairman of the meeting, shall act as Secretary of the meeting and shall keep and make a record of the proceedings.

### ARTICLE III Certificates for Shares

Section 1. Form and Execution. Certificates for shares shall be issued to each shareholder in such form as shall be approved by the Board. Such certificates shall be signed by the Chief Executive Officer, President or a Vice President and by the Secretary or an Assistant Secretary of the Company.

Such certificate for shares shall be transferable in person or by attorney, but, except as hereinafter provided in the case of lost, mutilated or destroyed certificates, no transfer of shares shall be entered upon the records of the Company until the previous certificate, if any, given for the same shall have been surrendered and canceled.

Section 2. Lost, Mutilated or Destroyed Certificates. If any certificate for shares is lost, mutilated or destroyed, the Board may authorize the issuance of a new certificate in place thereof upon such terms and conditions as it may deem advisable. The Board in its discretion may refuse to issue such new certificates until the Company has been indemnified to its satisfaction or is protected by a final order or decree of a court of competent jurisdiction.

Section 3. Registered Shareholders. A person in whose name shares are of record on the books of the Company shall conclusively be deemed the unqualified owner thereof for all purposes and, except as otherwise provided herein, to have capacity to exercise all rights of ownership. The Company shall not be bound to recognize any equitable interest in or claim to such shares on the part of any other person, whether disclosed upon such certificate or otherwise.

### ARTICLE IV Directors

Section 1. General Powers of Board. All power and authority of the Company shall be exercised by or under the direction of the Board of Directors (the "Board") except where the law, the Articles, or these Regulations delegate authority to the CEO or other officers or requires action to be authorized or taken by the shareholders. Without prejudice to the general powers conferred by or implied in the preceding sentence, the Board shall have the power to: (a) hire, fire, determine authority and fix the compensation of (i) all shareholders and lineal descendants of Paul Block, Jr. or William Block, Sr. who are employed by the Company or any of its affiliates, and (ii) officers of the Company and its affiliates who are employed at the Company's headquarters and (iii) those other officers who are responsible for the day-to-day operation of any "Major Operating Business of the Company", as defined below, whether or not separately incorporated, each in consultation with and giving due consideration to, any recommendations of the CEO, (b) create or incur any

indebtedness except unsecured current liabilities incurred in the ordinary course of business; (c) grant any mortgage, pledge, lien or encumbrance on property or assets now owned or hereafter acquired by the Company; (d) make and execute any guaranties on behalf of the Company; (e) authorize dividend distributions; (f) authorize the purchase of shares of the Company by the Company; and (g) establish such rules and regulations respecting the issuance and transfer of shares and certificates for shares as the Board may consider reasonable. For purposes of these Regulations, "Major Operating Business of the Company" shall mean the following: (a) the publishing division, currently consisting of Toledo Blade Company and PG Publishing Company, (b) the cable TV division, currently consisting of Buckeye Broadband, BCI Mississippi Broadband and related systems, (c) the telecommunication division, currently consisting of Buckeye Telesystem and Block Line Systems, and (d) the TV broadcasting division.

**Section 2. Number of Directors.** Until changed in accordance with the provisions of this Section or otherwise in accordance with law, the Articles or these Regulations, the number of directors of the Company, none of whom need be shareholders, shall be set at nine (9). In accordance with the Shareholders Agreement throughout its term, and thereafter according to the requirements of law, the number of directors of the Company may be fixed or changed by resolution at any annual meeting of the shareholders or at any special meeting of shareholders called for that purpose, adopted by the vote of the holders of shares, present in person or by proxy, entitling them to exercise a majority of the voting power on such proposal.

**Section 3. Election of Directors.** Election of directors shall be made, removed and replaced pursuant to the Shareholders Agreement throughout its term. Thereafter, directors shall be elected at the annual meeting of shareholders, but when the annual meeting is not held or directors are not elected thereat, they may be elected at a special meeting called and held for that purpose. Nominations for the election of directors may be made by the Board or by any shareholder entitled to vote for the election of directors. At each meeting of shareholders at which directors are to be elected, those persons receiving the greatest number of votes shall be directors. Unless otherwise provided in the Articles, each shareholder has the right to vote cumulatively for the purpose of electing directors without notice of any kind or nature, it being agreed that, given the balance in voting shares held by members of the two family lines descending from the Company's founder, this is the most appropriate method of voting.

**Section 4. Duty of Care.** In accordance with Ohio law, each director shall, as a condition to accepting the position and continuing to serve, commit to devote sufficient time and attention to review and evaluate all business plans, prospects, financial situation and opportunities of the Company and its affiliates and become knowledgeable in the industries in which the Company and its affiliates operate or may in the future operate so as to be able to offer meaningful input during Board meetings and otherwise to faithfully perform his or her duties as a fiduciary of the Company and its shareholders and to meet the standard of care required of a fiduciary.

**Section 5. Vacancies.** Vacancies in the Board shall be filled as provided in the Shareholders Agreement throughout its term. Thereafter, shareholders entitled to elect directors shall have the right to fill any vacancy in the Board at any meeting of shareholders called for that

purpose, and any directors elected at any such meeting of shareholders shall serve until the next annual election of directors and until their successors are elected and qualified.

Section 6. Meetings of the Board. Regular meetings of the Board shall be held at such times and places as may be fixed by the Board. Special meetings of the Board may be held at any time upon call of the Chairman, the Chief Executive Officer or four (4) or more of the directors. Notice of any special meeting of the Board shall be mailed to each director, addressed to such director at his or her residence or usual place of business, at least five (5) days before the day on which the meeting is to be held, or shall be sent to him or her at such place by facsimile, telegraph, overnight delivery service or any other means of communication authorized by the directors. Every such notice shall state the time and place of the meeting but need not state the purpose or purposes thereof. Notice of any meeting of the Board need not be given to any director, however, if waived by him or her in writing or by facsimile, telegraph, electronic mail or any electronic or other transmission capable of authentication that appears to have been sent by the person waiving notice that contains the waiver, whether before or after such meeting, or if he or she shall be present at such meeting without protest prior to the commencement thereof; and any meeting of the Board shall be a legal meeting without any notice thereof having been given if all the directors are present.

All meetings of the Board shall be held at the principal office of the Company, or the offices of PG Publishing Company in Pittsburgh, Pennsylvania, or at such other place, within or without the State of Ohio, as the Board may determine from time to time and as may be specified in the notice thereof. Meetings of the Directors may be held through any communications equipment if all persons participating can hear each other, and participation in such a meeting shall constitute presence at the meeting.

Section 7. Quorum. A majority of the members of the Board (i.e., five) must be present to constitute a quorum for the transaction of business. At any meeting at which a quorum is present, all acts, questions and business that may come before the board shall require and be determined by vote of a majority of all directors (i.e., at least five directors), unless the vote of a greater number is required by law.

Section 8. Committees. The Board may by resolution provide for such standing or special committees consisting of one or more directors as it deems desirable and discontinue the same at its pleasure. Each such committee shall have such powers and perform such duties, not inconsistent with law, as may be delegated to it by the Board. Vacancies in such committees shall be filled by the Board.

Section 9. By-Laws. For the government of its actions, the Board may adopt by-laws consistent with the Articles and these Regulations.

Section 10. Action without Meeting. Any action that may be authorized or taken at a meeting of the directors may be authorized or taken without a meeting in a writing or writings signed by all the directors. A telegram, electronic mail or an electronic or other transmission capable of authentication that appears to have been sent by a director and that contains an affirmative vote or approval of that person is a signed writing for purpose of this section.

Section 11. Compensation. Members of the Board or of any standing or special committee may by resolution of the Board be allowed such compensation for their services as the Board may deem reasonable, and additional compensation may be allowed to directors for special services rendered.

## ARTICLE V

### Officers

Section 1. General Provisions. The Board shall elect a Chairman of the Board, a Chief Executive Officer ("CEO"), a President, a Chief Financial Officer ("CFO"), one or more Vice Chairmen, a Treasurer and a Secretary. The Board may from time to time elect such number of Vice Presidents as the Board may determine, create such other offices and appoint such other officers, subordinate officers and assistant officers as it may determine. The Chairman of the Board and each Vice Chairman, if any are elected, shall be, but the other officers need not be, chosen from among the members of the Board. Any two or more of such offices may be held by the same person, but no officer shall execute, acknowledge or verify any instrument in more than one capacity if such instrument is required to be executed, acknowledged or verified by two or more officers. All officers, as between themselves and the Company, shall have such authority and perform such duties as are customarily incident to their respective offices, or as may be specified from time to time by these Regulations and the Board, regardless of whether such authority and duties are customarily incident to such office. The CEO shall have the authority to hire, fire, prescribe authority and duties and fix the compensation of all employees of the Company and its affiliates except where such authority is given to the Board by Section 1 of Article IV of these Regulations or applicable law. The powers and duties of the officers described in Article V of these Regulations are subject to change from time to time by the Board.

Section 2. Term of Office. Except as otherwise provided in the Shareholders Agreement throughout its term and subject to the authority granted to the CEO over officers of the Company and its affiliates, the Board may remove and replace any officer at any time, with or without cause, by a majority vote.

## ARTICLE VI

### Duties of Officers

Section 1. Chairman of the Board. The Chairman of the Board, if one is elected, and any Vice Chairmen shall have such powers and duties as may be prescribed by the Board. The Chairman shall preside at all meetings of the Board and, in his absence any Vice Chairman or, if none is attending, the Chief Executive Officer shall preside.

Section 2. Chief Executive Officer. The CEO shall be the chief executive officer of the Company and shall exercise supervision over all operational aspects of the business of the Company and its affiliates and over its several officers, subject, however, to the control of the Board. Except as provided below, or in Section 1 of Article IV, the CEO shall have authority to hire, fire and fix the compensation of all officers of the Company and its affiliates. The CEO shall make recommendations to the Board regarding the employment, termination and compensation of all shareholders or lineal descendants of Paul Block, Jr. or William Block, Sr. and all officers of the Company and its affiliates who are located at the Company's headquarters



or are responsible for the Major Operating Business of the Company as set forth in Section 1 of Article IV, with the Board having final authority over the same. The CEO shall preside at all meetings of the shareholders and, in the absence of or if a Chairman of the Board shall not have been elected, shall also preside at all meetings of the Board. The CEO shall perform such other duties as from time to time may be assigned to him or her by the Board. The CEO shall have authority to sign all certificates for shares and all deeds, mortgages, bonds, contracts, notes and other instruments requiring his or her signature; and shall have all the powers and duties prescribed for such office by the Ohio General Corporation Law.

Section 3. Chief Financial Officer. The CFO shall exercise direction and control of the financial affairs of the Company, including preparation of the Company's consolidated financial statements with its affiliates. The CFO shall have the general powers and duties usually vested in the office of the CFO of a company and such other powers and duties as may be assigned by the CEO or the Board.

Section 4. President. The President shall perform such duties as are conferred upon him by the Board or the CEO. The authority of the President to sign in the name of the Company all certificates for shares and authorized deeds, mortgages, bonds, contracts, notices and other instruments shall be coordinated with like authority of the CEO.

Section 5. Vice Presidents. The Vice Presidents shall perform such duties as are conferred upon them by the Board or the CEO. The authority of Vice Presidents to sign in the name of the Company all certificates for shares and authorized deeds, mortgages, bonds, contracts, notes and other instruments, shall be coordinated with like authority of the CEO and President. Any one or more of the Vice Presidents may be designated as an "Executive Vice President."

Section 6. Secretary and Assistant Secretary. The Secretary or any Assistant Secretary shall keep minutes of all the proceedings of the shareholders and Board and shall make proper record of the same; sign certificates for shares, deeds, mortgages, bonds, contracts, notes, and other instruments executed by the Company requiring his or her signature; give notice of meetings of shareholders and directors; and perform such other and further duties as may from time to time be assigned to him or her by the Board or the CEO.

Section 7. Treasurer. The Treasurer shall deposit all moneys and other valuables in the name, and to the credit, of the Company, with such depositories as may be determined by the Treasurer. The Treasurer shall disburse the funds of the Company as may be ordered by the Board or permitted by the CEO or CFO, shall render to the CEO, CFO and directors, whenever they request it, an account of all transactions and shall have such other powers and perform such other duties as may be prescribed by the Board.

Section 8. Other Officers. The Board may appoint such other officers and assistant officers as it may deem desirable. Each such officer shall hold office during the pleasure of the Board and perform such duties as the Board may prescribe.

**ARTICLE VII**  
**Common Directorships or Interest**

Section 1. **Effect of Common Directorships and Directors' Personal Interests.** No contract, action, or transaction shall be void or voidable with respect to the Company for the reason that it is between or affects the Company and one or more of its directors or officers, or between or affects the Company and any other person in which one or more of its directors or officers are directors, trustees, or officers, or have a financial or personal interest, or for the reason that one or more interested directors or officers participate in or vote at the meeting of the directors or a committee of the directors that authorizes such contract, action, or transaction, if in any such case any of the following apply:

(a) The material facts as to his or their relationship or interest and as to the contract, action, or transaction are disclosed or are known to the directors or the committee and the directors or committee, in good faith reasonably justified by such facts, authorizes the contract, action, or transaction by the affirmative vote of a majority of the disinterested directors, even though the disinterested directors constitute less than a quorum of the directors or the committee;

(b) The material facts as to his or their relationship or interest and as to the contract, action, or transaction are disclosed or are known to the shareholders entitled to vote thereon and the contract, action, or transaction is specifically approved at a meeting of the shareholders held for such purpose by the affirmative vote of the holders of shares entitling them to exercise a majority of the voting power of the Company held by persons not interested in the contract, action or transaction; or

(c) The contract, action or transaction is fair as to the Company as of the time it is authorized or approved by the directors, a committee of the directors, or the shareholders.

Any such officer, director or shareholder, if he is a director, may be counted in determining the existence of a quorum at any meeting of the Board or of the shareholders of the Company which shall authorize or take action upon any such transaction, contract or act.

**ARTICLE VIII**  
**Indemnification of Directors and Officers**

Section 1. **Indemnification.** The Company shall indemnify or agree to indemnify, to the fullest extent now or hereafter permitted by law, (a) a director, officer, agent or salaried employee, or (b) a former director, officer, agent or salaried employee (c) any person or persons (including trustees of any trust) who have the power to appoint directors under the Shareholders Agreement (but not with respect to any dispute between or among such persons), or (d) any person who is serving or has served at the request of the Company as a director, officer or salaried employee of any other company, joint venture or enterprise, or as a trustee of any trust (the "Indemnitee"), against costs and expenses reasonably incurred by or imposed upon him, judgments, decrees, fines, penalties or amounts paid in settlement or in connection with the defense of any pending, concluded or threatened action, suit or proceeding, criminal, civil, administrative, investigative, or otherwise, to which he is or may be made a party by reason of being or having been such director, officer, employee, person or trustee; provided that, a

determination is made (a) that he was not, and has not been adjudicated to have been, negligent or guilty of misconduct in the performance of his duty to the Company or other entity of which he is a director, officer, employee or trustee, (b) that he acted in good faith in what he reasonably believed to be in or not opposed to the best interests of the Company or other entity, and (c) that, in any matter the subject of a criminal action, suit or proceeding, he had no reasonable cause to believe that his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful. Any such determination shall be made, and any action authorizing such indemnification shall be taken, by the directors of the Company acting at a meeting at which a quorum of directors who are and were not parties to or threatened with such action, suit or proceeding is present. Any director who is a party to or threatened with such action, suit, or proceeding shall not be qualified to vote respecting such determination or action, and if for this reason a quorum of directors cannot be obtained for such vote, such determination shall be made by any of the following procedures: (a) by a written opinion of independent counsel, (b) by the shareholders or (c) by the court of common pleas.

For purposes of the foregoing, "independent counsel" shall mean legal counsel other than an attorney or a firm having associated with it any attorney, who, within the past five years has been retained by or has performed services for the Company or the Indemnitee in any matter material to either such party.

Indemnification under this article shall not be deemed exclusive of any other rights to which such director, officer, employee, agent or trustee may be entitled under the Articles, these Regulations, any agreement or vote of shareholders, or as a matter of law.

Section 2. Advancement of Expenses and Costs. Indemnification shall include payment by the Company of expenses, including attorneys' fees, expenses and disbursements, incurred in defending an action or proceeding in advance of the final disposition of such action or proceeding upon receipt of an undertaking by the person indemnified to repay such payment if it is ultimately determined that such person is not entitled to indemnification.

#### ARTICLE IX Fiscal Year

The fiscal year of the Company shall be the calendar year or such other year as may be fixed from time to time by the Board.

#### ARTICLE X Consistency with Articles and Shareholders Agreement

If any provision of these Regulations shall be inconsistent with the Articles as in effect at the time of the adoption of these Regulations or as amended from time to time, the Articles, as in effect at the time, shall govern and control. If any provision of these Regulations shall be

inconsistent with the Shareholders Agreement, the Shareholders Agreement shall govern and control throughout its term.

## ARTICLE XI Amendments

These Regulations may be amended or repealed at any meeting of shareholders called for that purpose by the affirmative vote of the holders of record of shares entitling them to exercise two-thirds of the voting power on such proposal or, without a meeting, by the written consent of the holders of record of shares entitling them to exercise two-thirds of the voting power on such proposal; provided, however, that no amendment or addition to these Regulations shall be made if such amendment or addition is inconsistent with the Shareholders Agreement throughout its term.

## ARTICLE XII Transfers of Stock

Section 1. Restrictions on Transfer. No present or future shareholder of the Company shall, directly or indirectly, offer, sell, transfer, assign or otherwise dispose of or make any exchange, gift, assignment or pledge of any shares of stock of the Company or any right or interest therein, except in accordance with applicable law and as permitted by Section 2 below.

Section 2. Exceptions to Restrictions. The transfers of shares are permissible:

(a) By gift from any member of a shareholder group consisting of shareholders with the same common ancestor to any other member of such group, there being two shareholder groups, one consisting of descendants of Paul Block, Jr. and one consisting of descendants of William Block, Sr. (each, a "Shareholder Group").

(b) From any individual shareholder (i) to the shareholder's spouse, parent, children or other issue or any other member of the same Shareholder Group upon his or her death, (ii) to a parent, guardian, administrator or representative upon his or her disability, (iii) to or in trust for the shareholder or the shareholder's spouse, parent, children or other issue or any other member of the same Shareholder Group or (iv) to charitable organizations but not with respect to any voting stock.

(c) From a corporate shareholder to a resultant or acquiring corporation in the event of a merger or consolidation with or into such other corporation, or in case substantially all of its assets shall be transferred to an acquiring corporation.

(d) From a corporate shareholder to its then existing bona fide shareholders as part of a plan of corporate reorganization, a spin-off, split-off or split-up; or a plan of partial or complete liquidation or other similar plan of corporate reorganization or liquidation.

(e) Pursuant to an initial public offering of shares according to terms agreed upon by the Board and shareholders.

(f) Pursuant to Article XIII below.

Section 3. Endorsement of Certificates. Upon the execution of this Agreement, in addition to any other legend which the Company may deem advisable under the Securities Act and certain state securities laws, all certificates representing shares of issued and outstanding Common Stock shall be endorsed at all times prior to any transfer of that Security as follows:

“NO SHAREHOLDER MAY ENCUMBER OR DISPOSE OF HIS OR HER COMMON STOCK EXCEPT (1) BY CERTAIN TRANSFERS TO FAMILY MEMBERS, EXECUTORS, ADMINISTRATORS, OR TO CORPORATE SUCCESSORS OR ASSIGNS UNDER CERTAIN CIRCUMSTANCES, AND (2) BY SALE IF SUCH SHAREHOLDER FIRST OFFERS THE SHARES TO OTHER SHAREHOLDERS OR THE CORPORATION, ON THE SAME TERMS AS SUCH SHAREHOLDER CAN SELL TO A BONA FIDE PROSPECTIVE PURCHASER. THE COMPLETE TERMS OF THIS RESTRICTION ARE CONTAINED IN ARTICLES XII AND XIII OF THE CODE OF REGULATIONS OF BLOCK COMMUNICATIONS, INC. DULY ADOPTED, AND AS THE SAME MAY BE AMENDED FROM TIME TO TIME. THE RIGHTS OF ANY HOLDER OF ANY SHARE EVIDENCED BY THIS CERTIFICATE ARE ALSO SUBJECT TO A SHAREHOLDERS AGREEMENT DATED DECEMBER 27, 2019. BOTH DOCUMENTS ARE ON FILE AT THE OFFICE OF THE CORPORATION. ON RECEIPT OF A WRITTEN REQUEST THEREFOR, THE CORPORATION WILL WITHIN FIVE (5) DAYS MAIL A COPY OF BOTH TO ANY SHAREHOLDER WITHOUT CHARGE.”

Section 4. Improper Transfer. Any attempt to transfer or encumber any shares of Common Stock not in accordance with these Regulations shall be null and void.

#### ARTICLE XIII

##### Rights of First Offer

Section 1. Offering. Any shareholder (“Offering Shareholder”) who desires to sell, all or any part of his, her or its stock (the “Offered Shares”) other than as permitted in Section 2 of Article XII shall give written notice to the CEO, CFO, Chairman, or President of the Company (who shall thereupon immediately notify all the directors of the Company in writing) of his, her or its desire to sell and dispose of the same, which notice shall offer such stock for sale and state the price per share at which he, she or it offers such stock (the “Offer”).

Section 2. Offering Shareholder Group Offerees - Same Class. Within ten (10) days of receipt of the Offer, the Company shall notify all shareholders of the Company of the Offer and advise them that the Offered Shares shall be first offered to those other shareholders of the same class of stock of the Company (such classes consisting of class A preferred stock, voting common stock and non-voting common stock) as is being offered and who share the same common ancestor, i.e. either Paul Block, Jr. (“Paul”) on the one hand, or William Block, Sr. (“William”) on the other hand (the “Related Shareholders”), upon the terms and at the price specified in the Offer. The Offer to the Related Shareholders shall be in such proportion as the respective stock ownership of the same class of each such Related Shareholder shall bear to the aggregate stock of the same class of stock of the Company owned by all the Related

Shareholders. Such Related Shareholders shall have thirty (30) days after receipt of the Offer within which to elect to purchase all or such portion of his, her or its proportionate part of such offered stock as he, she or it may desire.

Section 3. Offering Shareholder Group Offerees – All Classes. Any such stock which the Related Shareholders do not elect to purchase, as aforesaid, shall then be offered by the Offering Shareholder to those other common shareholders of the Company who share the same common ancestor upon the terms and at the price specified in the Offer. The Offer to the Related Shareholders of the Company shall be in such proportion as the respective stock ownership of each such Related Shareholder shall bear to the aggregate common stock of the Company owned by all the Related Shareholders. Such Related Shareholders shall have ten (10) days after receipt of the offer within which to elect to purchase all or such portion of his, her or its proportionate part of such offered stock.

Section 4. Company Offeree. Any such stock which the Related Shareholders do not elect to purchase, as aforesaid, shall then be offered by the Offering Shareholder, to the Company which may at its option, within ten (10) days of receipt of such Offer, elect to purchase all or any part of the Offered Shares not elected to be purchased by the Related Shareholders by giving notice to such Offering Shareholder.

Section 5. Other Shareholder Group Offerees – Same Class. Any such stock which the Related Shareholders and the Company do not elect to purchase, as aforesaid, shall then be offered by the Offering Shareholder to those other shareholders of the same class of stock of the Company as is being offered and who do not share the same common ancestor with the Offering Shareholder (the “Other Related Shareholders”) upon the terms and at the price specified in the Offer. The Offer to the Other Related Shareholders of the Company shall be in such proportion as the respective stock ownership of the same class of each such Other Related Shareholder shall bear to the aggregate stock of the same class of the Company owned by all the Other Related Shareholders. Such Other Related Shareholders shall have ten (10) days after receipt of the Offer within which to elect to purchase all or such portion of his, her or its proportionate part of such offered stock as he, she or it may desire.

Section 6. Other Shareholder Group Offerees – All Classes. Any such shares that the Company and the Other Related Shareholders do not elect to purchase shall then be offered to those other shareholders of the Company who do not share the same common ancestor with the Offering Shareholder, upon the terms and at the price specified in the Offer. The Offer to the Other Related Shareholders of the Company shall be in such proportion as the respective stock ownership of each such Other Related Shareholder shall bear to the aggregate common stock of the Company owned by all the Other Related Shareholders. Such Other Related Shareholders shall have ten (10) days after receipt of the Offer within which to elect to purchase all or such portion of his, her or its proportionate part of such offered stock as he, she or it may desire.

Section 7. All Shareholder Offerees. Any such stock which the Company and Other Related Shareholders of the Company do not elect to purchase shall then be offered by the Offering Shareholder to those other common shareholders of the Company, irrespective of ancestry, upon the terms and at the price specified in the Offer. The Offer to the other common shareholders shall be in such proportion as the respective common stock ownership of each such

other shareholder shall bear to the outstanding common stock of the Company, excluding therefrom the stock then owned by the Offering Shareholder and by the shareholders declining to purchase his, her or its full proportionate share of the stock then being offered for sale as described above. Each other shareholder shall have ten (10) days after receipt of the Offer within which to elect to purchase all or such proportion of his, her or its proportionate part of such offered stock as he, she or it may desire.

Section 8. Shares in Excess of Pro Rata. Any shareholder, whether a Related Shareholder, Other Related Shareholder, or any other shareholder, may elect in his, her or its acceptance to purchase, in addition to the shares initially offered to him, her or it, the balance (or the balance up to a maximum number stated by the offeree) of any shares being offered to other offerees which are not accepted by such offerees. If more than one offeree elects to make an additional acceptance, their elective purchases thereunder shall be (up to any stated maximum) in proportion to the total number of other offerees making such election

Section 9. Sale to Third Party. Any shares of such stock which is not purchased by the Company or the shareholders as above provided may be sold to such person, firm, association or company as the Offering Shareholder may desire for a period ending on the one hundred twentieth (120th) day after expiration of all options described above, at the same price, in the same quantity, and upon the same or more favorable (to the Offering Shareholder) terms and conditions as those upon which it was offered to the Company and such shareholders. Upon the expiration of such one hundred twentieth (120th) day period, if such Offering Shareholder does not sell all of such stock, then such shareholder shall not then again reoffer such stock until one hundred and ninety (190) days have elapsed after the expiration of the above described one hundred twenty (120) day period. Such reoffering shall be on the same terms and conditions as set forth in this Section.

Section 10. Closings. All purchases shall be closed within thirty (30) days after all options described above have been exercised.

Section 11. Pre-emptive Rights. Before any shares of stock may be issued by the Company for sale to any purchaser, they shall first be offered for sale at the issue price, or if to be disposed of otherwise than for cash, on the terms of such proposed disposition to the holders of the common stock then outstanding in proportion to their holdings. If one or more of such shareholders shall not accept such offer in writing within five (5) days from the date of his, her or its receipt thereof, the stock or other securities not so accepted shall be offered for sale at the issue price, or if to be disposed of otherwise than for cash on the terms of such proposed disposition to the remaining holders of common stock in proportion to the number of shares thereof held. If one or more of such remaining shareholders shall not accept such offer in writing within five (5) days from the date of his, her or its receipt thereof, there shall be no further restriction as to the person or persons to whom the stock or other securities not so accepted may be sold; provided, that such stock or other securities shall not be sold below the issue price (underwriting or brokerage commission excepted), or, if to be disposed of otherwise than for cash, on terms less favorable than those on which such stock or other securities were offered to the holders of common stock in accordance with the terms of this paragraph; and provided, further, that any such stock or other securities not so sold within a period of one hundred twenty (120) days from the expiration of the five (5) day period last above referred to or within a period

of one hundred twenty (120) days from the date such stock or other securities may be permitted to be sold to a third party under the rules and regulations of the appropriate state securities commissions and/or the Securities and Exchange Commission.

Section 12. Miscellaneous. (a) For purposes of this Article, if the Offering Shareholder is either the spouse, or transferee, or both, of a shareholder, then "sharing the same common ancestor" shall be determined by reference to such shareholder or the shareholder from whom he, she or it received the stock.

(b) Offers made pursuant to Sections 2, 3, 5 and 6 of this Article, shall be limited to direct lineal descendants of Paul or William, as the case may be.

#### ARTICLE XIV Miscellaneous

Section 1. Section Headings. The headings contained in these Regulations are for reference purposes only and shall not be construed to be part of and/or shall not affect in any way the meaning or interpretation of these Regulations.

Section 2. Gender. Unless the context otherwise requires a different meaning, words of a masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders, words importing the singular number shall include the plural number and vice versa, and the terms "hereof," "hereby," "hereto," "hereunder," "herein" and similar terms mean these Regulations.

Section 3. Computation of Days. Unless otherwise provided in these Regulations, in computing the number of days for any purpose under these Regulations, all days shall be counted including Saturdays, Sundays and holidays.



# **Exhibit 3**

## EMPLOYMENT AGREEMENT

THIS AGREEMENT ("Agreement") is made and entered into this 9<sup>th</sup> day of NOVEMBER, 2022 by and between Allan Block, (the "Executive") and Block Communications, Inc. an Ohio corporation (the "Company") and shall be effective as of January 1, 2023, (the "Effective Date").

WHEREAS, the Company desires to continue the employment of Executive under the terms and conditions set forth below, and the Executive desires to accept such employment terms;

NOW, THEREFORE, in consideration of the promises, mutual covenants and agreements contained herein, the Company and the Executive do hereby agree as follows:

- 1) Employment and Duties. On the terms and subject to the conditions set forth in this Agreement, the Company agrees to employ Executive as the Chairman and Chief Executive Officer ("CEO") of the Company. Executive will preside at all meetings of the Board of Directors of the Company (the "Board") provided he attends in person or by authorized communications equipment. As CEO, Executive will have general authority to make those operating decisions and to perform those duties that are consistent with his position in accordance with the Code of Regulations at the Company and Ohio law. In particular, Executive will provide leadership for all aspects of the Company's operations with an emphasis on long term goals, profitability, and return on investment. Executive will oversee the ongoing operation of all affiliates and business groups of the Company, will be responsible for employment decisions at the executive level and will be responsible, in consultation with other executives, for major decisions involving acquisitions, mergers, joint ventures or large scale expansion. Executive shall review the financial results of all operations, comparing them with the Company's budgets, goals and objectives.
- 2) Performance. Executive accepts the employment described in Section 1 above, and agrees to faithfully and diligently perform the duties and responsibilities described herein. The Executive agrees to: (i) devote substantially all of his business time and efforts exclusively to the affairs of the Company and its affiliates, (ii) use his best efforts to promote the interests of the Company and its affiliates, and (iii) abide by all rules, customs, practices and policies established from time to time by the Company. The Company acknowledges that the Executive may (i) engage in charitable and community affairs (including serving on the board of directors or similar management body of any charitable or community organization), (ii) serve on the board of directors of other companies which are not engaged in a business that directly or indirectly competes with the Company's Business (as defined in Section 20 below), and (iii) make personal investments, to the extent such activities do not unreasonably interfere with the duties and responsibilities described herein. During any period of employment by the Company or service as a member of the Board, Executive's services may be rendered substantially from any geographic location in any developed country of the world in the discretion of the Executive.
- 3) Term. This Agreement shall consist of multiple parts. From its Effective Date, it shall

continue for a period of five (5) years, unless sooner terminated hereunder. Upon expiration of the such five (5) year period, the Agreement shall be automatically renewed for successive one-year periods unless, at least six months prior to the date that the Agreement would otherwise expire by reason of lapse of time, either the Executive or the Company, as the case may be, notifies the other of his or its desire not to renew the Agreement (such initial and renewal terms being referred to as the "Initial Term"). After expiration of the Initial Term, certain rights and obligations of the Company and Executive shall continue indefinitely as provided herein, such continued applicability being referred to as the "Complete Term"). At any time during the Initial or Complete Term, the Executive may elect to retire as CEO or otherwise substantially reduce his duties as such thereby triggering a Transition Date (defined below) with certain consequences as described herein.

- 4) Salary. For all the services to be rendered by the Executive hereunder, the Company agrees to pay, during the Initial Term and prior to a Transition Date, a base salary ("Salary") at an initial rate of \$1,044,820 per year, payable in the manner and frequency in which the Company's payroll is customarily handled. The Company may increase Executive's Salary at any time, or from time to time, provided, however, that Executive's Salary in all cases will be reviewed and adjusted as of the end of each calendar year in an amount, expressed as a percentage of Salary, commensurate with the percentage increase for other executive level employees. The Company may not at any time reduce the Salary from its then-current level, unless it is done in line with a generalized reduction of executive level pay due to adverse financial results, conditions and prospects or workout or distress conditions of the Company and its affiliates.
- 5) Bonus. During the Initial Term and prior to a Transition Date, Executive will be entitled to a cash bonus on or about the end of each calendar year in an amount up to one hundred percent (100%) of Executive's Salary as determined in the discretion of the Board.
- 6) Benefits. During the Initial Term and prior to a Transition Date, Executive shall be entitled to reimbursement of reasonable, documented travel and entertainment expenses incurred in connection with his performance of duties for the Company, including but not limited to, expenses incurred in attending business meetings and appropriate entertainment activities and shall be included to the extent eligible thereunder in any and all existing plans (and any plans which may be adopted hereafter), in each case as such plans may be amended, terminated, or replaced, providing benefits for the Company's salaried executives generally, and shall specifically provide the following:
  - (a) Vacation. Vacations with pay during each calendar year at such time or times as selected by Executive in his reasonable discretion so long as they do not interfere with the performance of his duties on behalf of the Company.
  - (b) Sick Leave. Sick leave with pay in accordance with the policies and rules governing the sick leave of other executive level employees. Unless otherwise established for other executive level employees, unused sick leave shall not be accumulated from one year to the next,

- (c) Health. Group health insurance provided by the Company for executive level employees including additional insured benefits through the BeniComp Select Executive Medical Reimbursement program adopted by the Company. Such benefits shall continue throughout the life of the Executive and his spouse irrespective of expiration of the Initial or Complete Term provided the applicable plan, program or policy permits the same.
- (d) Short Term Disability. Short term disability benefits consisting of continuation of Executive's Salary throughout any period up to ninety (90) calendar days during which Executive is unable to perform his duties because of illness, accident or other physical or mental disability.
- (e) Long Term Disability. Coverage under the Company's long term disability plan for executive level employees in effect from time to time, with benefits commencing ninety (90) days after the first absence from work.
- (f) Life Insurance. Coverage under the Company's group life insurance plan in effect from time to time, plus continued participation in the Company's Supplemental Executive Life Insurance plan currently consisting of one or more whole-life policies issued by Northwestern Mutual paid for by the Company with Executive's right to name the beneficiary. All policies shall be assignable to the Executive who shall be entitled to continue coverage at his own expense upon termination of active employment for any reason.
- (g) Qualified Plans. Continued participation in the Block Communications Retirement Plan (although benefit accruals have been frozen) and the Block Savings Plan, as each may be amended or replaced for employees, including executive level employees, generally.
- (h) Automobile Allowance. Continued rights to a monthly automobile allowance designed to cover all costs of operation and maintenance in an amount no less than \$900, as adjusted periodically in line with other executive level employees.
- (i) Tax Preparation Fees. Continued tax preparation assistance for Executive and his spouse by the Company's regularly engaged public accounting firm or another firm selected by Executive.
- (j) Dues. Continued payment of dues, assessments and initiation fees for membership by Executive and/or his spouse in the Toledo Club, the Duquesne Club, and Inverness Club or any other dining, recreational or golf club, selected by Executive or his spouse, consistent with other executive level employees.
- (k) Office Space. Office space, equipment, supplies, and such other facilities and personnel as the Company deems necessary or appropriate for the performance of Executive duties.
- (l) Aircraft Use. The right to use for personal purposes any aircraft owned or maintained by the Company for business purposes generally, subject to such

rules, procedures, cost and tax consequences established from time to time by the Company and the Internal Revenue Service.

Hereinafter the benefits to be derived by Executive under all such plans, programs and policies shall be referred to as "Executive Benefits".

- 7) Change of Control. Upon the closing of a Change of Control, the compensation and benefits to be provided to Executive throughout the Initial and Complete Term of this Agreement shall be accelerated to a lump sum. Such Lump Sum Payment Amount (as defined in Section 19 below) shall be paid to Executive upon the effective date of the Change of Control (the "Change of Control Date").
- 8) Termination. Executive's employment during the Initial Term of this Agreement may be terminated by the Company only for Cause (as defined in Section 19), by voluntary action of the Executive or upon his death or Disability and for no other reason or reasons whatsoever. Executive effectively controls his election as a member of the Board which will continue as long as he continues to own or control twenty-five percent (25%) of the voting stock of the Company. The Company has no right or power to terminate or reduce Executive's authority or responsibilities except for Cause until after expiration of the Initial Term.

9) Post-Employment Rights and Obligations.

- (a) At any time during or after the Initial Term of this Agreement, Executive may voluntarily elect to retire from his position of CEO or substantially reduce his duties and time commitment. In such event the terms and conditions of his employment shall continue unchanged until January 1 of the following calendar year (the "Transition Date"), at which point and for so long as Executive remains a member of the Board, (1) Executive's Salary may be reduced but not below an amount equal to the greater of (i) seventy percent (70%) of the annual base salary of Executive's brother, John R. Block or (ii) the average annual Salary paid to Executive during the five (5) years preceding the Transition Date; and (2) except for the vacation; and sick leave described in Section 6, all Executive Benefits will remain to the extent permitted under the terms of the applicable rules and plans established by the Company or third party providers. Annual increases in Executive's Salary shall be as provided in Exhibit A hereto.
- (b) After expiration of the Initial Term of this Agreement, the Company may modify, reduce or terminate the services of Executive as CEO. In such event, or in the event Executive's employment is terminated for Cause at any time, as long as Executive remains a member of the Board, he shall remain entitled to the Salary and other Executive Benefits described above but substituting one-hundred percent (100%) for seventy percent (70%) in clause (a)(1).
- (c) In the event Executive ceases to be CEO and a member of the Board, all compensation and Executive Benefits shall cease except for continued health benefits for Executive and his spouse as provided in Section 6 and such Disability

benefits as may be provided below.

- (d) Following (i) the Transition Date or (ii) reduction in authority or termination of Executive's employment by the Company as permitted herein, the Company shall cause each of the Blade and the Pittsburgh Post-Gazette to add Executive's name and dates of service to its editorial page on the same line and in a manner consistent with the recognition afforded to other family members that have become less active in the day-to-day operations of the Company and its subsidiaries. Such additional language shall commence on the Transition Date and appear daily for so long as the Company owns either such newspaper.
- 10) Disability. After Executive's Transition Date or the reduction in authority or termination of Executive's employment by the Company as permitted herein, if Executive can no longer serve as a member of the Board solely because of his Disability, Executive will be entitled to receive a monthly disability payment from the Company equal to the amount by which one-twelfth of the minimum annual base salary described in Section 9 (a) exceeds the disability benefits (if any) Executive will receive during the month under any short-term or long-term disability insurance policy or employee disability benefit plan provided by the Company. Such payments will commence with the first calendar month beginning at least three (3) months after Executive begins to receive benefits from the Company's disability insurance, and will continue each month thereafter until Executive recovers and is able to resume serving on the Board. In addition, for each such month, the Company will, at its expense, provide Executive the same group health insurance, life insurance and other employee welfare benefit plans that may be in effect from time to time for other members of the Board, provided that these benefits can be provided to Executive under the terms of the relevant insurance policy or plan.
- 11) Death. If Executive's service hereunder ends as a result of his death, (a) Executive's surviving spouse, if any, will receive the survivor benefits available under the Company's Survivor Benefit Program for Surviving Spouses of Senior Executives, and (b) any amounts otherwise payable to Executive hereunder will be paid to such person as Executive has designated in a written notice filed with the Company or if no such notice is filed, to Executive's estate.
- 12) Parachute Payment. If any payment or benefit (including payments and benefits pursuant to this Agreement) Executive would receive in connection with a Change of Control from the Company or otherwise ("Change of Control Payment") is not approved by the holders of a majority of the voting stock of the Company at any time (including more or less contemporaneously with execution of this Agreement) in satisfaction of the shareholder approval requirements under Treas. Reg. Section 1.280G-1-Q/A-7, and such Change of Control Payment would constitute a "parachute payment" within the meaning of Section 280G of the Code and be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then the Company shall make an additional payment (the "Equalization Amount") to Executive, in an amount such that the net amount of the Equalization Amount Executive retains, after payment by Executive of all taxes imposed upon the Equalization Amount, including, without limitation, the Excise Tax (on the Equalization Amount) and any federal, state or local income taxes (and any interest and

penalties imposed with respect thereto) on the Equalization Amount, will be equal to the Excise Tax liability imposed upon Executive with respect to all Parachute Payments (other than the Equalization Amount), thereby restoring Executive to the same financial position after payment of the Excise Tax that Executive would have been in had the golden parachute rules of Section 280G and 4999 of the Code not applied. The Equalization Amount shall be paid to Executive no later than the date Executive is required to pay the Excise Tax as a result of the Company's compliance with the provisions herein.

13) Section 409A. Notwithstanding any provision in this Agreement to the contrary:

Any payment otherwise required to be made hereunder to Executive at any date as a result of the termination of Executive's employment shall be delayed for such period of time as may be necessary to meet the requirements of Section 409A(a)(2)(B)(i) of the Code (the "Delay Period"). On the first business day following the expiration of the Delay Period, Executive shall be paid, in a single cash lump sum, an amount equal to the aggregate amount of all payments delayed pursuant to the preceding sentence, and any remaining payments not so delayed shall continue to be paid pursuant to the payment schedule set forth herein.

Each payment in a series of payments hereunder shall be deemed to be a separate payment for purposes of Section 409A of the Code.

Notwithstanding anything herein to the contrary, the payment (or commencement of a series of payments) hereunder of any nonqualified deferred compensation (within the meaning of Section 409A of the Code) upon a termination of employment shall be delayed until such time as Executive has also undergone a "separation from service" as defined in Treas. Reg. 1.409A-1(h), at which time such nonqualified deferred compensation (calculated as of the date of Executive's termination of employment hereunder) shall be paid (or commence to be paid) as provided herein as if Executive had undergone such termination of employment (under the same circumstances) on the date of Executive's ultimate "separation from service."

To the extent that any right to reimbursement of expenses or payment of any benefit in-kind under this Agreement constitutes nonqualified deferred compensation (within the meaning of Section 409A of the Code), (i) any such expense reimbursement shall be made by the Company no later than the last day of the taxable year following the taxable year in which such expense was incurred by Executive, (ii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (iii) the amount of expenses eligible for reimbursement or in-kind benefits provided during any taxable year shall not affect the expenses eligible for reimbursement or in-kind benefits to be provided in any other taxable year; provided, however, that the foregoing clause shall not be violated with regard to expenses reimbursed under any arrangement covered by Section 105(b) of the Code solely because such expenses are subject to a limit related to the period the arrangement is in effect.

While the payments and benefits provided hereunder are intended to be structured in a manner to avoid the implication of any penalty taxes under Section 409A of the Code, and shall be interpreted in accordance therewith, this Agreement shall be construed and administered in such manner as shall be necessary to effect compliance with Section 409A with respect to such payments and benefits constituting non-qualified deferred compensation (within the meaning of Section 409A of the Code). In no event whatsoever shall any member of the Company be liable for any additional tax, interest, or penalties that may be imposed on Executive as a result of Section 409A of the Code or any damages for failing to comply with Section 409A of the Code (other than for withholding obligations or other obligations applicable to employers, if any, under Section 409A of the Code) as a result of the Company's compliance with the provisions herein.

14) Confidential Information.

- (a) General. Executive acknowledges that his employment hereunder gives him access to Confidential Information relating to the Company's Business and its customers which must remain confidential. Executive acknowledges that this information is valuable, special, and a unique asset of the Company's Business, and that it has been and will be developed by the Company at considerable effort and expense, and if it were to be known and used by others engaged in a Competitive Business, it would be harmful and detrimental to the interests of the Company. In consideration of the foregoing and this Agreement, Executive hereby agrees and covenants that, during and after the term of his employment and service as a member of the Board and during the Restricted Period, Executive will keep secret and confidential all Confidential Information and will not, directly or indirectly in one or a series of transactions, disclose to any Person, or use or otherwise exploit for Executive's own benefit or for the benefit of any Person other than the Company, Confidential Information, whether prepared by Executive or not; provided, however, that any Confidential Information may be disclosed to officers, representatives, employees and agents of the Company who need to know such Confidential Information in order to perform the services or conduct the operations required or expected of them in their performance of services on behalf of the Company and its affiliates. Executive shall use his best efforts to prevent the removal of any Confidential Information from the premises of the Company, except as required in his normal course of employment by the Company. Executive shall use his best efforts to cause all Persons to whom any Confidential Information shall be disclosed by him hereunder to observe the terms and conditions set forth herein as though each such person were bound hereby. To the extent that Executive obtains information on behalf of the Company that may be subject to attorney-client privilege as to the Company's attorneys, Executive shall take reasonable steps to maintain the confidentiality of such information and to preserve such privilege. Executive shall have no obligation hereunder to keep confidential any Confidential Information if and to the extent disclosure is specifically required by law; provided, however, that in the event disclosure is required by applicable law, Executive shall provide the Company with prompt notice of such requirement, prior to making any disclosure, so that



the Company may seek an appropriate protective order; and provided, further, that nothing in this Agreement shall prohibit Executive from making disclosure of information or documents under any applicable whistleblower laws or reporting potential violations of laws or regulations to any governmental agency or legislative body. At the request of the Company, Executive agrees to deliver to the Company, at any time during the term of this Agreement, or thereafter, all Confidential Information which he may possess or control. Executive agrees that all Confidential Information of the Company (whether now or hereafter existing) conceived, discovered or made by him during the term of this Agreement exclusively belongs to the Company (and not to Executive). Executive will promptly disclose such Confidential Information to the Company and perform all actions reasonably requested by the Company to establish and confirm such exclusive ownership.

- (b) Survival. The terms of this Section shall survive the termination of this Agreement regardless of who terminates this Agreement, or the reasons therefor.

#### 15) Non-Competition

- (a) General. Executive acknowledges that the services to be provided give him the opportunity to have special knowledge of the Company and its Confidential Information and the capabilities of individuals employed by or affiliated with the Company and that interference in these relationships would cause irreparable injury to the Company. In consideration of this Agreement, Executive covenants and agrees that:

- i. During the Restricted Period, Executive will not, without the express written approval of the Company, anywhere in the Market, directly or indirectly, in one or a series of transactions, own, manage, operate, control, invest or acquire an interest in, or otherwise engage or participate in, whether as a proprietor, partner, director, officer, employee, joint venturer, investor, lessor, agent, representative or other participant, any Competitive Business, without regard to (A) whether the Competitive Business has an office, production or other business facility within or without the Market, (B) whether any of the activities of Executive referred to above occur or are performed within or without the Market or (C) whether Executive resides, or reports to an office within or without the Market; provided, however, that (x) Executive may, anywhere in the Market, directly or indirectly, in one or a series of transactions, own, invest or acquire an interest in up to two percent (2%) of the capital stock of a corporation whose capital stock is traded publicly, and (y) Executive may accept employment with a successor company to the Company.
- ii. During the Restricted Period, Executive will not without the express prior written approval of the Company (A) directly or indirectly, in one or a series of transactions, recruit, solicit or otherwise induce or influence any partner, director, officer, employee, sales agent, joint venturer, investor,

lessor, supplier, customer, agent, representative or any other Person which has a business relationship with the Company or any of its affiliates or had a business relationship with the Company or any of its affiliates within the six (6) month period preceding the date of the incident in question, to discontinue, reduce or adversely modify such employment, agency or business relationship with the Company or any of its affiliates, or (B) employ or seek to employ or cause any Competitive Business to employ or seek to employ any Person or agent who is then (or was at any time within six (6) months prior to the date Executive or the Competitive Business employs or seeks to employ such Person) employed or retained by the Company or any of its affiliates. Notwithstanding the foregoing, nothing herein shall prevent Executive from providing a letter of recommendation to an employee with respect to a future employment opportunity.

iii. The scope and term of this Section would not preclude him from earning a living with an entity that is not a Competitive Business.

(b) Non- Disparagement. During the term of this Agreement and thereafter, Executive will not disparage or make any statements or disclosures injurious to or which may reasonably be taken to be injurious or prejudicial or in any way detrimental to, including without limitation, to the competitive disadvantage of, the Company or any of its affiliates.

(c) Survival. The terms of this Section shall survive termination of this Agreement regardless of who terminates this Agreement, or the reasons therefor.

16) Inventions. Each invention, improvement or discovery made or conceived by Executive, either individually or with others, during the term of this Agreement, which invention, improvement or discovery is related to any of the lines of business or work of the Company, any projected or potential activities which the Company has investigated or hereinafter investigates during the term of Executive's employment, or which result from or are suggested by any service performed by Executive for the Company, whether patentable or not, shall be promptly and fully disclosed by Executive to the Company. Executive assigns each such invention, improvement or discovery, and the patents thereof or related thereto, to the Company. Executive shall, during the term of this Agreement and thereafter, without charge to the Company, but at the request and expense of the Company, assist the Company in obtaining or vesting in itself patents upon such improvements and inventions. All such inventions, improvements or discoveries shall at all times become and remain the exclusive property of the Company.

17) Consulting Services. Executive hereby agrees that, following termination of his active employment, he will make himself available at all reasonable times for consultation by and with the officers of the Company. In the event Executive is called upon to render substantial services of this nature, he shall, in consideration therefor, receive reasonable compensation and reimbursement for any travel or other out-of-pocket expenses incurred in connection therewith.

18) Surrender of Properties. Upon termination of the Executive's employment with the Company, regardless of the reason therefor, Executive shall promptly surrender to the Company all property provided to him by the Company for use in relation to his employment.

19) Definitions:

"Board" means the Board of Directors of Block Communications, Inc. or any other governing body chosen by the shareholders to act in lieu of the Board of Directors.

"Business" means any business conducted or pursued by, or engaged in, or proposed to be conducted or pursued by or engaged in, by the Company or any of its affiliates prior to the date hereof or at any time during the term of this Agreement, including but not limited to the cable television and broadband, newspaper, television broadcasting, telecom, business broadband, and outdoor advertising.

"Cause" as used herein, shall mean, (i) Executive's willful and continual neglect of, or willful and continual failure to substantially discharge, the Executive's duties, responsibilities or obligations set forth in this Agreement, or (ii) Executive's material breach of Sections 14 or 15 of this Agreement, in each case after Executive has been given notice and thirty (30) days from such notice fails to cure such circumstances within those thirty (30) days.

"Change of Control Date" means the effective date of any transaction resulting in a Change of Control.

"Change of Control" means (a) a transaction or series of transactions resulting in the sale or other disposition of all or substantially all of the assets or business of the Company to one or more third parties or (b) any merger, consolidation, recapitalization, or business combination of the Company, or (c) the sale of capital stock or other equity interests of the Company, or (d) any other transaction or series of transactions, and, in each case set forth in (b), (c), or (d) above, the result of which immediately or at any time following any such transaction(s) is either (i) the owners of the Company as of the closing date of any such transaction or series of transactions (or their relatives, by blood or marriage, or any trust or other title holding entity for the benefit of any of the owners or their relatives, provided the right to vote shares of the Company held by such trust or other entity is held by any of such owners or their relatives, all of such persons being referred to collectively with the current owners as the "Owner Family Members"), together do not have, directly or indirectly, the legal and beneficial ownership of a majority of the aggregate equity securities (irrespective of class) of the Company (or, if applicable, of any such surviving or purchasing entity) or (ii) the Owner Family Members as of the closing date together do not control directly or indirectly the Board of Directors of the Company (or, if applicable, the governing board of any such surviving purchasing entity); provided that, with respect to the payment of any amount that constitutes nonqualified deferred compensation (within the meaning of Section 409A), no transaction shall be treated as a "Change of Control" unless the transaction qualifies as a "change in ownership or effective control" of the Company or a "change in

ownership of a substantial portion of the assets” of the Company, as these terms are defined in Treasury Regulation Section 1.409A-3(i)(5).

“Company” as used herein shall refer to the Company and all of its direct or indirect affiliates.

“Competitive Business” means any business which competes, directly or indirectly, with the Business in the Market.

“Complete Term” has the meaning set forth in Section 3 hereof.

“Confidential Information” means any confidential information including, without limitation, any trade secret, confidential study, data, calculations, software storage media or other compilation of information, patent, patent application, copyright, trademark, trade name, service mark, service name, “know-how”, trade secrets, customer lists, details of client or consultant contracts, pricing policies, sales techniques, confidential information relating to suppliers, information relating to the special and particular needs of the Company’s customers, operational methods, marketing plans or strategies, products and formulae, product development techniques or plans, business acquisition plans or any portion or phase of any scientific or technical information, ideas, discoveries, designs, computer programs (including source and object codes), processes, procedures, research or technical data, improvements or other proprietary or intellectual property of the Company, whether or not in written or tangible form, and whether or not registered, and including all files, records, manuals, books, catalogues, memoranda, notes, summaries, plans, reports, records, documents and other evidence thereof. The term Confidential Information does not include, and there shall be no obligation hereunder with respect to, information that is or becomes generally available to the public other than as a result of a disclosure by Executive not permissible hereunder.

“Disability” means (a) due to physical or mental disability Executive is unable to perform, and does not perform, the duties of his employment or engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, or (b) Executive has been receiving income replacement benefits for at least three (3) months from the Company’s long-term disability plan or any other disability benefit plan maintained by the Company by reason of any medically determinable physical or mental impairment which is expected to result in death or to last for a continuous period of not less than twelve (12) months, or (c) the Social Security Administration has determined that Executive is totally disabled and eligible for Social Security disability benefits.

“Effective Date” means January 1, 2023.

“Initial Term” has the meaning set forth in Section 3 hereto.

“Lump Sum Payment Amount” means the Net Present Value of the Change of Control Payments. “Net Present Value” shall be determined by applying a discount rate equal to one hundred and twenty percent (120%) of the applicable Federal rate (determined under

Section 1274(d) of the Internal Revenue Code of 1986, as amended (the "Code")) on the Change of Control Date. The Net Present Value of the payments and benefits shall be determined under Section 7520 of the Code on the Change of Control Date. The Lump Sum Payment shall be calculated by the Company's independent auditors or another national accounting firm mutually acceptable to Executive and the Company (the "Accounting Firm"). For this purpose, the value of any non-cash benefit or any deferred cash payment or benefit included in the Acceleration Amount shall be determined by the Accounting Firm in accordance with the principles of Sections 280G(d)(3) and (4) of the Code, and Treasury Regulations Section 1.280G-1.

"Market" means any county in the United States of America and each similar jurisdiction in any other country in which the Business was conducted or pursued, or engaged in, by the Company as any of its affiliates prior to the date hereof or is conducted or engaged in or actively pursued, or is proposed to be conducted or engaged in or pursued, by the Company or any of its affiliates at any time during the term of this Agreement.

"Person" means any corporation, partnership, joint venture, limited liability entity, organization, or other business entity, or any natural person.

"Restricted Period" means the period commencing on the date of this Agreement and continuing for so long as Executive is actively employed by the Company, is a member of the Board or continues to hold, directly or indirectly, any of the outstanding shares of voting stock of the Company.

"Transition Date" means January 1st of the calendar year which follows the year during which Executive notifies the Board in writing of his desire to retire as CEO or otherwise substantially reduce his duties and time commitment, as provided in Section 9 hereof.

- 20) Notices. Any notice, request, demand or other communication required or permitted to be given under this Agreement shall be given in writing and if delivered personally, or sent by certified or registered mail, return receipt requested, as follows (or to such other addressee or address as shall be set forth in a notice given in the same manner):

If to Executive: Allan Block  
4145 Tantara Road  
Toledo, Ohio 43623

If to Company: Jodi Miehl, President and Chief Operating Officer  
Block Communications, Inc.  
405 Madison Ave.  
Suite 2100  
Toledo, Ohio 43604

Any such notices shall be deemed to be given on the date personally delivered or such return receipt is issued.

- 21) Severability. If, for any reason, any provision hereof shall be determined to be invalid or

unenforceable, the validity and effect of the other provisions hereof shall not be affected thereby. 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 invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein. If any court determines that any provision of Section 15 or any other provision hereof is unenforceable because of the scope or duration of such provision, then any court of competent jurisdiction shall have the power to reduce the scope or duration of such provision, as the case may be, and in its reduced form such provision shall then be enforceable.

- 22) Most Favorable Nation. The Company shall not enter into any agreement, whether written or oral, with John R. Block establishing rights or benefits in connection with his employment by the Company that are more favorable in any material respect to those set forth in this Agreement for the benefit of Executive unless Executive has been provided with such rights or benefits pursuant to a definitive written agreement or agreements between Executive and the Company whether as an amendment to this Agreement or otherwise.
- 23) Waiver of Breach; Specific Performance. The waiver by the Company or Executive of a breach of any provision of this Agreement by the other party shall not operate or be construed as a waiver of any other breach of such other party. Each of the parties to this Agreement will be entitled to enforce its or his rights under this Agreement and to exercise all other rights existing in such party's favor. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of Sections 14 and 15 of this Agreement and that any party (and third party beneficiaries) may in its sole discretion apply to any court of law or equity of competent jurisdiction for specific performance and/or injunctive relief, including temporary restraining orders, preliminary injunctions and permanent injunctions in order to enforce or prevent any violations of the provisions of this Agreement.
- 24) Assignment; Third Parties. Neither Executive nor the Company may assign, transfer, pledge, hypothecate, encumber or otherwise dispose of this Agreement or any of his or its respective rights or obligations hereunder without the prior written consent of the other; provided, however, that this Agreement shall be assignable to, and enforceable against, any successor to the Business and assets of the Company after a Change in Control.
- 25) Amendment; Entire Agreement. This Agreement may not be changed orally but only by an agreement in writing agreed to by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought. This Agreement embodies the entire agreement and understanding of the parties hereto in respect of the subject matter of this Agreement, and supersedes and replaces all prior Agreements, understandings and commitments with respect to such subject matter, including but not limited to that certain letter agreement between the parties dated April 23, 2012 (the "2012 Agreement"), provided that in no event shall the rights and benefits of Executive be less than those

provided in the 2012 Agreement and, in such event, those provisions of the 2012 Agreement shall be restored and incorporated herein.

- 26) Choice of Law; Jurisdiction and Venue. This agreement shall be governed by, construed, applied and enforced in accordance with the laws of the State of Ohio. Except as otherwise provided in Section 28, the parties agree that any action or proceeding to enforce or arising out of this agreement may be commenced in the courts of the State of Ohio or the United States District Court in Toledo, Ohio. Executive consents to such jurisdiction, agrees that venue will be proper in such courts and waives any objections based upon forum non conveniens.
- 27) Arbitration. Executive and the Company agree that any dispute between the parties to this agreement relating to or in respect of this Agreement, its negotiation, execution, performance, subject matter, or any course of conduct or dealing or actions under or in respect of this agreement shall be submitted to, and resolved exclusively pursuant to, arbitration in accordance with the commercial arbitration rules of the American Arbitration Association. Such arbitration shall take place in Toledo, Ohio. The costs of such arbitration shall be borne one-half by the Company and one-half by the Executive. Decisions pursuant to such arbitration shall be final, conclusive and binding on the parties. Upon the conclusion of arbitration, the Executive or the Company may apply to any court described in Section 27 to enforce the decision pursuant to such arbitration. In connection with the foregoing, the parties hereby waive any rights to a jury trial to resolve any disputes or claims relating to this agreement or its subject matter.
- 28) Further Action. Executive and the Company agree to perform any further acts and to execute and deliver any documents which may be reasonable to carry out the provisions hereof.
- 29) Indemnification. The Company hereby agrees to indemnify the Executive against all liabilities, costs, charges and expenses whatsoever incurred or sustained by the Executive in connection with any threatened, pending or completed action, suit or proceeding to which the Executive may be made a party or may be threatened to be made a party by reason of the Executive's being or having been a director, officer, employee, or agent of the Company or serving or having served at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise before, during or after expiration of this Agreement to the fullest extent permitted by applicable law. The Company shall advance all costs, charges and expenses, including legal fees, incurred by the Executive in connection with the Executive's defense of any claim for which the foregoing indemnity may apply. If it is subsequently determined that the Executive was not entitled to such indemnification, the Executive will reimburse the Company any amounts advanced pursuant to the foregoing sentence.
- 30) Directors and Officers Insurance. The Executive shall be entitled to the protection of any insurance policies the Company or any of its affiliates from time to time maintains for the benefit of its senior executive officers and directors (or substantially similar policies) respecting liabilities, costs, charges, and expenses of any type whatsoever incurred or sustained by the Executive in connection with any action, suit or proceeding to which the

Executive may be made a party or may be threatened to be made a party by reason of the Executive's being or having been a director, officer, employee or agent of the Company or serving or having served at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise whichever before, during or after expiration of this Agreement.

- 31) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.



IN WITNESS WHEREOF, the parties hereto have set their hands as of the day and year first written above.

EMPLOYEE:

allan Block  
Allan Block

BLOCK COMMUNICATIONS, INC.

By:

Jodi Michls  
Jodi Michls, President and Chief Operating Officer

**EXHIBIT A**  
**Guaranteed Minimum Annual Salary**

The minimum annual salary to which Executive will be entitled for years beginning after the Transition Date will be increased, effective January 1 of each such subsequent calendar year, at least as follows:

(A) For each year after the Transition Date but before John R. Block has reduced his level of active involvement in the day to day operations of the Company and notified the Board of his Transition Date under his own employment agreement, the minimum annual salary payable to Executive will be increased by the same percentage as the percentage increase in annual salary John R. Block is to receive from the Company for the year;

(B) For any year after Executive and John R. Block have both reached their respective Transition Dates, the minimum annual salary will be adjusted, effective January 1 each calendar year thereafter, by the percentage increase in the following chart, which reflects the percentage increase in annual salary William Block, Jr. ("WBJ") has received for calendar years after 2005, the year in which he retired from active employment. The percentage increase in annual salary for the first calendar year after both Transition Dates have occurred shall be the percentage increase in salary of WBJ for the first year after his retirement, i.e., 2006. For each subsequent year the percentage salary increase for Executive reflected on the chart below shall correspond to the equivalent post-retirement year of WBJ, i.e., 2007, 2008, and so on, providing Executive with the same percentage increase as WBJ received in each subsequent year after his retirement. If, however, the minimum annual salary has been increased pursuant to Paragraph (A) based on increases in John R. Block's annual salary for any prior years, the percentage increase that would otherwise be applied to Executive's minimum annual salary under this Paragraph (B) will be offset (but not reduced below 0%) by the percentage increase(s) to Executive's minimum annual salary under Paragraph (A).

<u>Year After Your</u>	<u>Equivalent Year for</u>	<u>Year to Year</u>
<u>Effective Date</u>	<u>William Block, Jr.*</u>	<u>Percentage</u>
		<u>Increase*</u>

-	2005	-
1st.	2006	2.2%
2nd.	2007	2.0%
3rd.	2008	.4%
4th.	2009	9.1%
5th.	2010	27.2%
6th.	2011	
7th.	2012	
8th.	2013	
9th.	2014	
10th.	2015	
11th.	2016	
12th.	2017	
13th.	2018	
14th.	2019	
15th.	2020	
16th.	2021	
17th.	2022	
18th.	2023	
19th.	2024	
20th.	2025	
21st.	2026	
22nd.	2027	
23rd.	2028	
24th.	2029	

\* - This Table will need to be updated annually in future years, to reflect increases in William Block's annual salary continuation for years after 2022.

# **Exhibit 4**

**Allan Block**  
Chairman and CEO of Block Communications, Inc.

February 1, 2024

**BY EMAIL**

Board of Directors  
Block Communications, Inc.  
405 Madison Avenue, Suite 2100  
Toledo, OH 43604

*Re: Letter Regarding Formation of the Special Strategic Committee*

Dear Fellow Directors,

As you know, at a Board meeting on January 24, 2024, the Board of Directors (the "Board") of Block Communications, Inc. ("BCI" or the "Company") voted to form a "Special Strategic Committee" to, among other things, explore strategic alternatives for BCI. The Board further resolved to appoint four directors to the Special Strategic Committee: (i) Diana Block; (ii) John R. Block; (iii) Ronald R. Davenport; and (iv) Nancy Reid.

I write to inform you that by excluding my participation in the Special Strategic Committee, the Board has breached my Employment Agreement. Under Section 1 of my Employment Agreement, I am contractually "responsible, in consultation with other executives, for major decisions involving *acquisitions, mergers*, joint ventures, or large scale expansion." Under Section 8 of my Employment Agreement, the Company may not "reduce" or "terminate" this responsibility without "Cause." Furthermore, my rights to performance-based incentives and change-of-control payments under Sections 2, 5, 7, and 12 of my Employment Agreement are implicated in these contractual responsibilities.

Part of the Board's resolutions granted the Special Strategic Committee the authority to explore a potential sale of the Company, its outstanding equity interests, or all or substantially all of its assets. These resolutions clearly implicate major decisions involving an acquisition or merger. By excluding my participation in the Special Strategic Committee, the Board has violated Section 1 of my Employment Agreement by stripping me of my contractual right to participate in major acquisition decisions.

Further, as I explained at the January 24, 2024, Board meeting, the decision to pursue a sale, particularly at this juncture in time, is fundamentally misguided, not in the best interests of all shareholders, and would constitute a breach of fiduciary duty by all who support this path.

First, as you know, the Company is about to embark on extending its revolving credit facility, as our existing revolver is set to expire next year. As the Company's management has

expressed to the Board, beginning a potential sale process at this time will likely undermine our efforts to engage lenders and could interfere with our efforts to extend the revolving credit facility. If a sale is not consummated, the lack of a new credit facility could have significant consequences for the Company.

Second, the formation of the Special Strategic Committee is ill-advised from a strategic perspective and appears to be driven by the parochial interests of one or more individual directors rather than a view that such a path will maximize shareholder value for everyone. A desire to obtain short-term liquidity for an individual stockholder above the interests of all stockholders is inappropriate.

Motivating this process appears to be my brother John Block ("J. Block"), who was recently the subject of an investigation by the Company. Although the Board commissioned that investigation, the results were never shared with the full Board, including myself—which is unusual and suggests that the investigation was not favorable to J. Block. Now, a short time later, J. Block is pushing for the sale of the entire Company, despite the fact that now is not an opportune time to explore a sale. In fact, it is a particularly suboptimal time to sell given the Company's recent performance combined with the prospect of improvements on the horizon, and current market conditions.

Considering the foregoing, I hereby demand that the Board dissolve the Special Strategic Committee *post haste*. I am copying my counsel, Matthew Solum of Kirkland & Ellis LLP, on this letter.

I look forward to hearing the views of my fellow directors regarding this important matter.

Regards,

A handwritten signature in cursive script that reads "allan Block". The signature is written in dark ink and is positioned above the printed name.

Allan Block

Cc: Matthew Solum, P.C.  
Kirkland & Ellis LLP

# **Exhibit 5**

**KIRKLAND & ELLIS LLP**  
AND AFFILIATED PARTNERSHIPS

Matthew Solum, P.C.  
To Call Writer Directly:  
+1 212 446 4688  
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February 2, 2024

**By E-mail**

**CONFIDENTIAL**

David Waterman  
General Counsel  
Block Communications, Inc.  
405 Madison Avenue, Suite 2100  
Toledo, OH 43604

Re: Demand to Inspect Books and Records of Block Communications, Inc.  
Pursuant to Section 1701.37 of the Ohio General Corporation Law and  
Section 5.2 of the Shareholders' Agreement

Dear Mr. Waterman:

We write on behalf of our client Allan Block. As you know, Mr. Block is a shareholder of Block Communications, Inc. ("BCI" or the "Company"), as well as the Company's CEO and Chairman of the Company's board of directors (the "Board"). This letter constitutes an inspection demand by Mr. Block to BCI under Section 1701.37 of the Ohio General Corporation Law and Section 5.2 of the Shareholders Agreement among Mr. Block, BCI, and others, dated December 27, 2019 (this "Demand").

As a shareholder of BCI, Mr. Block has a right under Section 1701.37 to access BCI's "articles of the corporation, its regulations, its books and records of account, minutes, and records of shareholders aforesaid, and voting trust agreements" upon request and articulation of a specific, reasonable, and proper purpose.

As a shareholder and director of BCI, Mr. Block has an unqualified right under Section 5.2 of the Shareholders Agreement to access and "obtain copies of all financial, strategic, or other books and records of the Company and each of its affiliates upon timely request."

A short time ago, during a meeting of the Board on January 22, 2024, the Board voted to form a special committee (the "Special Strategic Committee"). Mr. Block was not appointed to the Special Strategic Committee, despite his involvement in the day-to-day management and strategic oversight of the Company and his unique knowledge and expertise with the Company's business. A purported purpose of the Special Strategic Committee is to explore strategic



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alternatives for BCI, including a potential sale of the Company. The constitution of a Special Strategic Committee is contrary to the express terms of Mr. Block's employment agreement with the Company, which establishes that Mr. Block will be "responsible . . . for major decisions involving acquisitions, mergers, joint ventures, or large scale expansion" and that the Company cannot "reduce" that responsibility absent "Cause."

Not only does the formation of the Special Strategic Committee constitute a breach of Mr. Block's employment agreement, but also the circumstances of its genesis call into question the bona fides and motives of the directors who spearheaded the formation of the Special Strategic Committee, most notably John Block ("J. Block"). As you know, J. Block was recently the subject of a "personnel investigation" conducted by Reed Smith, LLP on behalf of the Board. The results of this investigation were never reported to the full Board. In the wake of this investigation, J. Block for the first time raised the prospect of selling the Company, which has been successfully owned by members of the Block family since its inception over 123 years ago. Adding to our skepticism, there has been no change in the business or its prospects that would justify the consideration of a sale at this juncture. On the contrary, it is likely not the right time to sell given depressed valuations in the sector and the Company's anticipated growth in the near and medium term.

Given the foregoing, Mr. Block, through this Demand, seeks to inspect and make copies of the books and records set forth in Exhibit A, attached hereto, for the proper purposes of (i) investigating possible mismanagement in connection with the formation of the Special Strategic Committee and potential sale of the Company; and (ii) valuing his BCI shares. Mr. Block, through this Demand, hereby requests that BCI, or its authorized agent, permit Mr. Block and his authorized agents, including his attorneys and accountants, to access and copy the books and records set forth in the attached Exhibit A and make them available at its principal office or another mutually convenient location for Mr. Block and his authorized agents to access and copy at his expense at a mutually agreeable date and time. Records kept in electronic form should be made available in the form they are kept, together with any hardware or software necessary to make use of and generate a copy of such information.

Please promptly advise, but in all cases no later than five business days from the date of this Demand (by February 9, 2024), whether BCI will allow Mr. Block and his authorized agents to conduct the inspection as set out in this Demand, confirm the inspection date and location, or make arrangements for an alternative mutually agreeable date, time, and location.

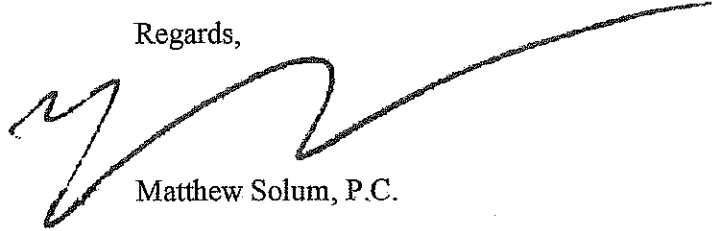
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We reserve all rights and remedies.

Regards,

A handwritten signature in black ink, appearing to read 'Matthew Solum', with a long, sweeping horizontal line extending to the right.

Matthew Solum, P.C.

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### Exhibit A

#### **Schedule of Books and Records Demand**

Mr. Block demands all documents available to or accessed by John Block, Karen Johmese, Diana Block, Ron Davenport, Nancy Reid, Emily Escalante, John Straub, and Jodi Miehl, including, but not limited to, the following:

1. All books and records of account of BCI.
2. All Board Materials<sup>1</sup> or documents reflecting or concerning the Board's appointment of the Special Committee.
3. All Board Materials or documents reflecting or concerning the Board's handling and/or discussion of exploring potential strategic alternatives, including, but not limited to, a potential sale of BCI.
4. All agendas and minutes of all meetings of BCI's Board, and all committees and subcommittees thereof, together with all documents displayed, presented, disseminated, or discussed at any such meeting relating to potential strategic alternatives, including, but not limited to, a possible sale of BCI.
5. All communications, including, but not limited to, text messages and e-mails, concerning the Board's handling and/or discussion of exploring potential strategic alternatives, including, but not limited to, a potential sale of BCI and the formation of the Special Strategic Committee.
6. All Board Materials or documents reflecting or concerning the Board's handling and/or discussion of Reed Smith's "personnel investigation" into J. Block, including, but not limited to, Reed Smith's complete written report concerning the "personnel investigation" into J. Block; text messages and emails, concerning Reed Smith's "personnel investigation" into J. Block; and all documents displayed, presented, disseminated, or discussed at any such meeting relating to Reed Smith's "personnel investigation" into J. Block.

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<sup>1</sup> The term "Board Materials" as used herein means all documents provided at, considered at, discussed at, or prepared or disseminated, in draft or final form, in connection with, in anticipation of, or as a result of any meeting of, BCI's Board or specially created committee thereof, including, without limitation, all presentations, Board packages, recordings, agendas, summaries, memoranda, charts, transcripts, notes, minutes of meetings, drafts of minutes of meetings, exhibits distributed at meetings, summaries of meetings, or resolutions.

# **Exhibit 6**

**TO BE FILED UNDER SEAL**

# **Exhibit 7**

**TO BE FILED UNDER SEAL**